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THE CANADIAN ILLUSTRATED WEEKLY

The Front Page

Still No Commitments

T IS encouraging to find that the better class of opponents of the Halifax suggestions are edulously seeking to rest their case on a more npressive moral ground than mere insistence n unfettered national independence. The Vinnipeg *Free Press* explains that that oppoition rests on "the conviction that his proosal will not advance the world in the search or peace." It argues that because the Haliax suggestions, if carried out, would make he British Commonwealth stronger than the Inited Kingdom standing alone, therefore hey would tend to the result that "the world hus organized would be ruled by naked ower." Also "the world would be divided into our great blocs, each competing with the ther."

This seems like a singularly large result to ollow from the comparatively simple proposiion that five nations, which have already coperated together in two world wars and will nquestionably co-operate together in a third the world is going to be thus afflicted, hould extend their co-operation by mutual disussions between wars. The Halifax suggesons unquestionably aim at increasing the trength of Great Britain; they aim also at cquiring that increased strength by allowing er policies to be influenced much more directy than hitherto by those of the overseas Dominions. Why these two changes should have he effect of subjecting the world to the rule f naked power and making another world var inevitable we find it hard to see.

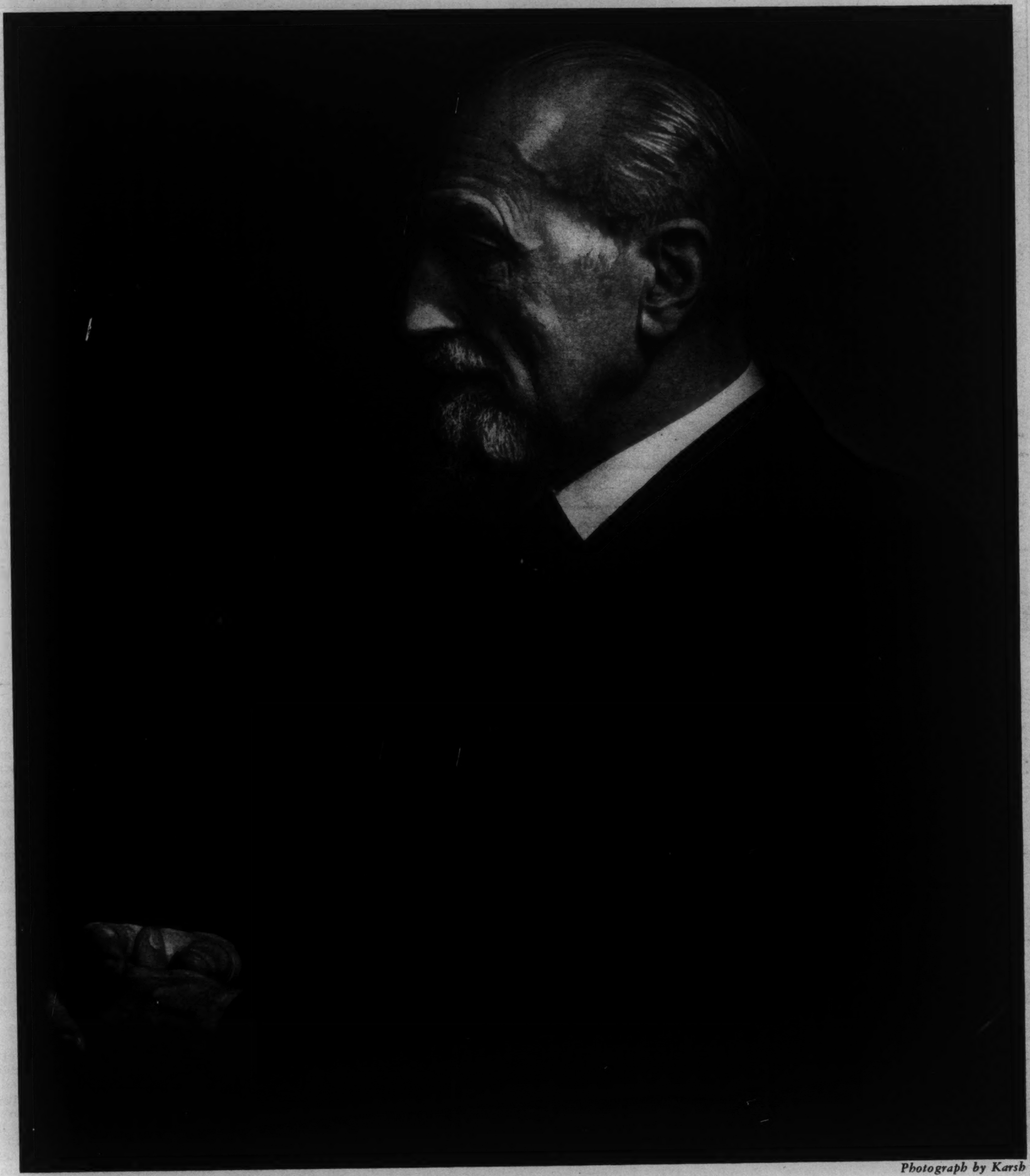
What is there about a world containing a veaker Great Britain, which makes it so vasty more attractive to the *Free Press* than a vorld containing a stronger Great Britain? Does the objection lie against great aggregaions of power in single units? If so, a world ontaining the United States and Soviet Russia a pretty hopeless world anyhow; and there little chance of splitting either of them up s the British Commonwealth can be split up we follow the *Free Press* line.

Mr. King, in a statement of studied moderaion, has declared his opposition to the idea of a common policy to be framed and executed y all the Governments of the Commonvealth." It is a question whether this is an ccurate description of the Halifax proposals. ertainly it is not proposed that the "commonness" of the policy should depend on the fact hat the nations concerned are in one Comonwealth and under one Crown; it would epend rather upon the continuance of their greement on the line the policy should take. Ir. King also said much about the high effeceness of present methods of "collaboration" vithin the Commonwealth; but his references vere largely to collaboration for humanitaran ends, and did nothing to dispel the widely eld idea that there is little or no collaboraion in regard to defence policy in time of eace. After all, whatever collaboration there must presumably include Eire, and could herefore hardly be of a very intimate nature.

No Engagements

MR. LEOPOLD RICHER, the Ottawa correspondent of *Le Devoir*, is much displeased vith this weekly for suggesting that if the real nterests of the British Commonwealth of Nations required it, Canada would willingly ive up her laboriously acquired national status. Ve need hardly say that the article in which his statement appeared made it amply clear hat in our opinion the real interests of the ommonwealth are not in the least likely to e served by such a development, but that nakes no difference to Mr. Richer. To him he real interests of the Commonwealth have othing to do with the case; "les Canadiens" ave but one country, and he is one of "les anadiens". This is a sufficiently logical if

(*Continued on Page Three*)



Photograph by Karsh

Mystery Man of British Finance—Rt. Hon. Montagu Norman, D.S.O., Governor of the Bank of England. His recent illness at the age of 72 is causing concern.

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GLENN BANNERMAN, M.B.E. —*Photo by Karsh.*

NAME IN THE NEWS

Here Is a Rolling Stone That Does All Its Rolling Upwards

By COROLYN COX

THE general public, watching the disturbed mixture that is its own Canadian Broadcasting Corporation, listening hard to the news above all, during these long years of war, coming so often over their radios from CBC, forgets, if they ever were aware, that the vast majority of radio stations of Canada are privately owned. These stations should, indeed, be having a potent voice in the present discussions of how to set up the CBC of the future. Their voice is currently being heard through Glen Bannerman, M.B.E., President and General Manager of the Canadian Association of Broadcasters. This organization is a voluntary trade association whose members are licencees of privately owned broadcasting stations.

Today, of the 77 licenses issued, only ten are in the hands of CBC itself, three are educational, and all but eighteen of the others belong to members of the Association. About fifteen stations started this association back in 1927 when we hadn't yet conceived CBC, and it was still uncertain whether we should follow the British scheme of government owned, non-commercial radio, or the U.S. system of complete private enterprise. As usual, we hit a half-way measure that has both private and CBC stations, both CBC-originated and commercial programs over all of them.

Bannerman came into radio by its business door, not as artist, writer, or educator. His last previous job was Advertising and Merchandising Manager for Hudson Motors Corporation of Canada, carrying out all the operations in selling its products from the dealer to the public. Private stations exist fundamentally by selling radio time to business firms to be used as part of their general campaign in merchandising their products.

Bannerman's first job was with a law firm. He was born on a farm in that old Scottish settlement, West Gwillimbury, near Toronto, where Lord Selkirk installed his group after a big fight between Hudson's Bay Company and North-West Trading Company, and Bannerman's forebears were in the group. It was a little place, with one country schoolhouse, and he had to go to board in Tottenham for High School. He had trouble with his eyes before he finished, went into Toronto to work for T. C. Robinette and Company, criminal lawyers, for $5 a week as general office boy. He thought the law looked a good profession, but turned his back on it when a real estate firm offered him $10 a week flat for his services with them!

Whatever his future, he needed more book larnin', so he was soon back in high school again, tried to get into the army in 1914 at the age of 17, but they wouldn't take him. The following spring he succeeded, inserted himself in the service, along with the McGill and Toronto lads in the "University" unit, went overseas that summer, wound up in the Princess Pats with the British 27th Division back of Armentieres, then moved with it to form the Canadian 3rd round Ypres, was there till he transferred to the Flying Corps in the spring of '17.

Varsity and Business

After cadet training at Denham in England, and technical course at Oxford, he got thrown out on the ground of his eyes. He then took an officers' course at Cambridge, eventually returned to France with the King's Shropshire Light Infantry as a subaltern, found himself suddenly C.O. of his company when all the other officers were killed. At Armistice he found himself back again at Avennes, the spot where during this war the Nazis made their break through into France. He was called back to England, had a spell as Staff Lieutenant before he left for Canada, and for his total war service received the M.B.E.

English Universities and Englishmen helped impress Bannerman with the desirability of further education, and he managed to stand firm against the restless spirit of returned soldiers. As soon as he was demobbed, he went to the University of Toronto for Political Science, graduating in 1925.

Bannerman's first job out of college was two years as Secretary-Treasurer of the Students' Administrative Council. In 1927 he went into business in a firm called Advertising Service, which later joined the well known advertising house, Cockfield Brown & Company. In the spring of '29 he became Assistant Manager of the Catalogue Division of the Robert Simpson Company, concerned with getting out the annual mail order catalogue, and the next year moved on to Ronalds Advertising Agency, where he handled the account for Hudson Motors of Canada. When Hudson Motors set up its Canadian sales organization in 1933, Bannerman was given the Advertising and Merchandising Department to organize and direct.

Canadian Association of Broadcasters appointed him to his present post in 1941, when Harry Sedgewick, owner of CFRB, Toronto, who had previously served voluntarily as president, was elected Chairman of the Board of the Association. Bannerman was also Chairman of the Advertising and Sales Club of Toronto in 1941-42.

Broadcasters' Code

First objective of the Canadian Association of Broadcasters was to achieve some uniformity in Canadian radio business, as for example in rates, contracts, and the like. By last February, the Association was ready to adopt and publish a Code of Ethics, which is a very decent affair, outlines what the members consider the desirable attitude of radio broadcasters toward the listening public, community, religion, education, children's programs and news, controversial public issues, advertising appeals and fair business practices. Radio is still but a bouncing babe in Canada, and this Code produced so early in the child's career ought to help to rear it in the way the Canadian people would like to see it go.

Big question perennially before the people of Canada is whether we have been to date so concerned with bringing up a nice child that we have stifled the all-round development of a husky little animal that has to live on the same continent with a pack of uninhibited children below the line, whose independent education has smartened their wits. CBC is completely in control of the situation, as it now exists. CBC owns all the lines over which any broadcast must come to any station, and only through buying the line from CBC can any station get anything that originates outside its own studio. CBC now operates two national networks. Only with CBC's permission can any other network exist in Canada, and so far CBC has always refused private stations permission to establish a permanent network. Occasional hookup of two or more stations in connection with some individual program can be arranged, with CBC permission and considerable time and red tape involved over the negotiations. That is to say, it takes days or weeks to do what any commercial network in the U.S. would put through in an hour.

Licenses for stations come from Government, but on recommendation of CBC, which puts every station virtually in CBC control. The Minister of Munitions and Supply has the final word. CBC has gone continually further ahead in the commercial field, selling more than twice the business it originally set as its intended limit.

It is at this point interesting to note that it is the Socialist groups of Canada who have been protesting recently just that situation which further government control of broadcasting might intensify—the banning over the national air of speeches they feel they should have been allowed to carry from coast to coast. If private networks controlled by "the interests" could refuse to carry sentiments to which they objected, so too, in complete government control for one reason or another the party in power might prevent opposition sentiments from having the air.

Private stations across Canada are owned by a variety of interests, only a few by big businesses, a number by newspapers, some by private individuals.

Meanwhile, Bannerman is credited by his associates with having served them very well indeed, combed out many of their tangles, greatly improved the standardizing of business, proven himself persona grata to French as well as English licencees.

DEAR MR. EDITOR

More Women for Senate: Immigrant Hordes: Income Tax Injustice

Editor, SATURDAY NIGHT:

IN 1929 the Judicial Committee of the Privy Council declared women eligible for appointment to the Senate of the Dominion of Canada.

In 1930 Premier William Lyon Mackenzie King made parliamentary history by appointing to the Senate for the first time in Canada a woman in the person of Cairine R. Wilson of Ottawa, and according to published reports at the time Premier King could not have made a more popular choice.

In 1944 thirteen vacancies are waiting to be filled in the Senate, and Premier King, at the opening of Parliament, which takes place this month, has a most favorable opportunity of once more making parliamentary history by simply filling the vacancies in the Senate with liberal-minded women chosen from each of the other eight provinces of our democratic Dominion.

By such a chivalrous act, Premier King would be expressing in a constitutional manner his government's appreciation of the services rendered by the women of Canada on the home production and battle fronts during the most trying period in the history of our country. At the same time, he would be pleasing the patriotic women of our body politic, who believe whole-heartedly that women should have a still greater voice in the government of the country for the good and welfare of the people.

Montreal, Que. MORRIS GOODMAN.

Income Tax Problem

Editor, SATURDAY NIGHT:

MAY I make use of your columns to point out what seems to me a gross injustice in the Income Tax Act?

In these days of heavy taxation, many of us when we have met our ordinary living expenses have very little, if any, surplus left to meet unusual expenses such as heavy medical bills. The Income Tax Act attempts to grant some relief in such cases.

According to present regulations, if these medical expenses do not exceed 5% of the taxable income no allowance is made, on the presumption, I take it, that it should be possible to meet such an expenditure without excessive hardship.

Any medical expenses, however, that do exceed 5% of the taxable income may be deducted from the taxable income provided that this deductible sum does not exceed $600 in any given year. This procedure, I presume, is actuated by the assumption that the average taxpayer cannot meet such heavy medical expenses on top of his heavy taxes.

But what about the taxpayer whose medical expenses over and above 5% of his taxable income exceed $600? Take, for instance, a man whose medical expenses are $1000 over and above 5% of his taxable income. Should he not be allowed to deduct the whole $1000? The Act seems to me to allow one man a certain measure of relief and to deny relief in the same proportion to another man who is in a worse plight.

I would suggest that any reader of this letter who is suffering under the heavy burden of medical expenses such as I have described should mention the matter, as soon as is possible, to the Federal member for his constituency.

Saskatoon, Sask. JUSTICE.

Immigrant Hordes

Editor, SATURDAY NIGHT:

EVEN allowing that unemployment is probably not seriously affected by immigration, and that diverse streams of humanity have originally composed virtually all our present-day nations, serious objections must still present themselves to anything like a general lowering of our present barriers.

Any general development of the Northwest, though inevitable in time, is bound to be slow. At best, no vast populations are ever going to be there, and the prairies produce continually a substantial surplus of people, who, given any opportunity, would head in that direction. Further, while of very diverse origins, these people are all more or less Canadianized and the futility of forcing them to emigrate while we deliberately introduce hordes of foreigners whose assimilation has to be started all over again from the beginning, must be obvious to all who are not hopelessly committed to the "melting-pot" theory.

To say that Germans and folk from the Scandinavian states have proved readily assimilable is to admit by implication that we can expect far more trouble with any future peasant hordes. I take it we are not discussing people of culture or means who would naturally refuse to waste their lives cracking rocks under the Northern Lights, regardless of their racial stock. None of the "Nordic" peoples has of late produced any large exportable surplus of people, and the only Celtic element that displays any unusual reproductive ability is the French-Canadian. We do not have to send abroad for them, merely to try and stop them from going to the States. We must, therefore, assume that any propaganda for mass immigration will be directed towards the racially and culturally remote peoples of Central and Eastern Europe, who already dot our country in big, indigestible clots.

A comparison of vital statistics for 1931 and 1943 will soon prove that all our present population needs to cope with any open space is a fair economic opportunity, and nobody, studying its origins, need fear too much inbreeding in many centuries. For the future, let us concentrate, for once in our history, on the welfare of our own people instead of building up labor pools and sub-subsistence farmers under a heavy barrage of verbal pious intentions.

Vancouver, B.C. W. B. W. WOODWARD.

BIRDS AND MEN

BIRDS are flocking now together,
  Making up their family lists:
Strange, how war and winter weather
  Turn us all to Communists!

Yet, when war and winter passes,
  We no longer compromise;
But divide up into classes—
  Turn to private enterprise.

J. LEWIS MILLIGAN.

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THE FRONT PAGE

(Continued from Page One)

slightly isolationist position, but Mr. Richer goes much further. Not only has he but one country, but he will not hear of that country entering into any "particular engagements" at the forthcoming Imperial Conference. It does not matter whether those engagements are entered into in the interests of Canada or not; they are barred, for Mr. Richer, because they are "imperial" engagements. The only engagements that he will contemplate for Canada are those entered into "with all the nations of the world for the establishment of an international order which shall be Christian, just and durable."

This sounds like a perfectly safe proposition for anybody who does not want any engagements whatever. For these engagements must be with all the nations of the world, which includes Russia and China, not to mention Germany and Japan, and they must be for the purpose of establishing a Christian international order. We confess we find it difficult to imagine Russia, China, Japan, Iran, India, and Turkey entering into engagements for the express purpose of establishing a specifically Christian international order. So we think that Mr. Richer is perfectly safe, and that if his policies are carried out there is no danger of Canada ever entering into any engagements whatever which will impose the slightest limitation upon that complete and absolute freedom to do exactly what she pleases at all times, which Mr. Richer along with many other Canadians regards as the sole guarantee of her safety, but which if she ever really exercised it would be the most dangerous thing she could possibly have.

UNREAL PROSPECT

GREY fog this morning, hanging over the field,
Frost-particles on the balsam and the spruce,
And the barn-roof silver-steeled.

Nothing is definite; vertical lines are loose,
Horizontals, wavy and out of key,
And the cows in the far pasture look like moose.

So, in spite of the loveliness, comes to me
A strange unease, like the beginnings of fear,
To find uncertainty brooding on every tree.

Being used to clarity, far and near,
I am distraught. So is the world to-day
Blotted and formless, menacing and queer.

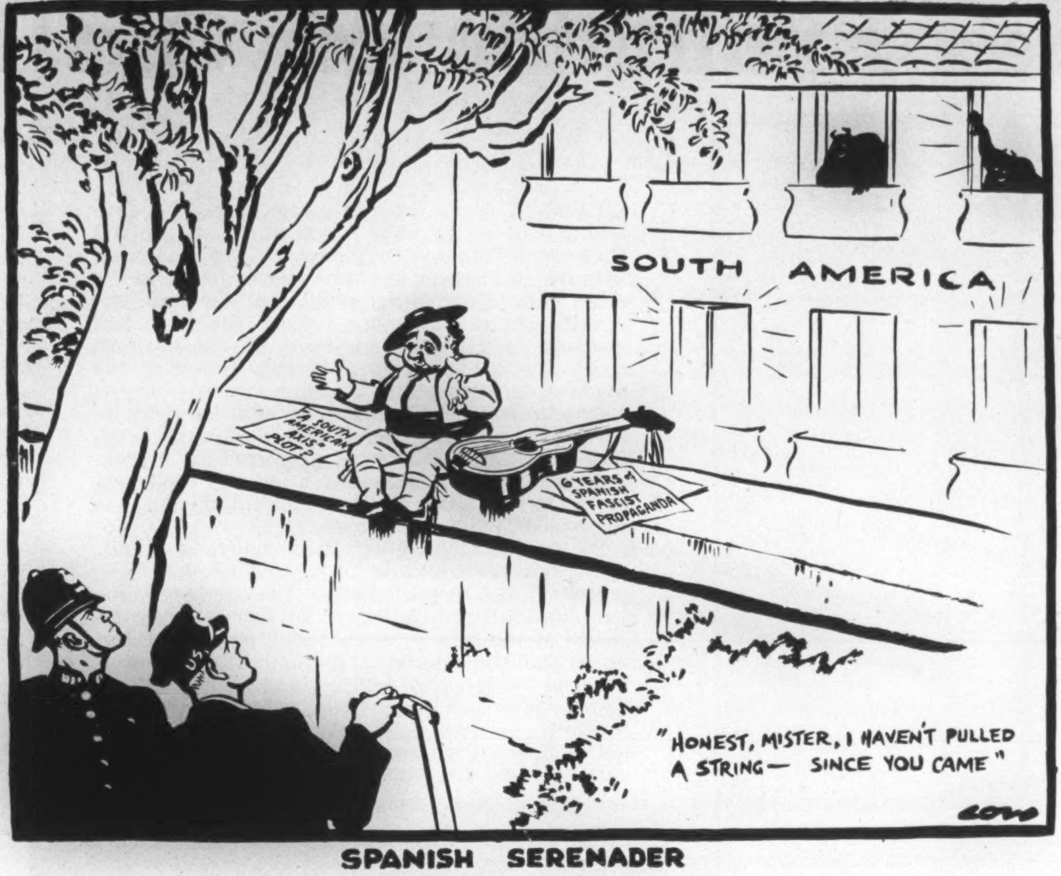
J. E. MIDDLETON.

We congratulate Mr. Richer upon having laid down a line upon which he can be absolutely sure of being able to condemn whatever "engagements" Canada does enter into at the Peace Conference, on the ground that, since Russia and China have also entered into them voluntarily, and various other non-Christian nations perhaps a little less voluntarily, they cannot possibly be intended to establish a Christian international order.

•

Anti-Halifax

THE thing that staggers us most about the Canadian reaction to the Halifax suggestions—in so far as it is a reaction to the suggestion at all, and not a wave of indignation that a mere Britisher should have the audacity to suggest anything about the internal relations of the British Commonwealth in a speech delivered in Toronto—is the extraordinary variety of the things which people seem to see as the alternative to a closer relationship within the Commonwealth. In one respect everybody's reaction is the same. It is that the Halifax suggestions are interesting and well-meant, but that they would interfere with some alternative policy which is dear to the hearts of the person making the comment. It is the alternative policies that differ.


SOUTH AMERICA
"A SOUTH AMERICAN AXIS" PLOT?
6 YEARS of SPANISH FASCIST PROPAGANDA
US
"HONEST, MISTER, I HAVEN'T PULLED A STRING— SINCE YOU CAME"

SPANISH SERENADER

From French-Canada comes, of course, the immediate and universal cry that there is and can be only one policy for Canada, the policy of having nothing to do with anybody. That was to be expected. But we have also received from a very eminent poet of western Canada an impassioned outburst which assumes that Canada's proper course is "pooled sovereignties" in the sense of an all-inclusive League of Nations. And from another western source, of a rather CCF character, comes the inference that what Canada ought to do is to back up Great Britain when it is good and spank it when it is naughty, which apparently means when the Socialists are influential in its policies and when the Tories are running things according to their own sweet will.

Now it is quite obviously impossible that all of these very different things and many others should be the alternative policy which Canada would follow if she paid no attention to Lord Halifax. The French-Canadians are probably the nearest to the truth, but then it is largely they who dictate Canada's external policy anyhow. The idea that if Canada repels the Halifax advances she will immediately go all out for a world-wide League of Nations with real pooled sovereignties is too fantastic for serious consideration; if there were such a League in 1945 Canada would probably be the first to refuse to pool. As for our CCF friends it appears to us that what Lord Halifax is proposing comes nearer to meeting their desires than any other practical suggestion that has yet emerged. Their idea that Canada can wait until the Rightist or Leftist tendencies of any move in British policy become apparent, and then oppose or support that policy accordingly, is entirely unrealistic—with the exact kind of unrealism that poisoned the world's international relationships between the wars and left millions of the best opponents of autocracy in Europe to be trampled under the feet of autocratic aggression. Nations which have their main objectives in common cannot afford, in a world like the present, to sit around watching for opportunities to object to one another's secondary purposes. A much better method is to sit around the same table and persuade one another that certain secondary purposes should not be pursued. After all, there may have been things even in Canada's foreign policy, nebulous as it is, which some British statesman may honestly believe to have been detrimental to the interests of democracy.

The Quiet Hour

MR. BRACKEN'S nightly prayer must be a desperate petition that all his less restrainable followers may be stricken dumb until the Halifax speech has been completely forgotten. A single toot of even the most mildly Imperialistic horn by even a third-rate Conservative, and the grand old autonomy cry ("A subject of the British I will not die") is raised once more and another election goes by default. The restraint of Mr. Drew and Mr. Graydon has so far been impeccable; but there are still Mr. Church and Mr. W. J. Stewart, not to mention dozens of lesser luminaries all over Ontario, who cannot all be gagged at once.

In the province of Quebec it suffices that Lord Halifax is an Englishman and General Smuts "an ignorant old Boer"; the hue and cry can be raised, and is being raised, on those grounds alone. (Strange that General Smuts only became "an ignorant old Boer" to the Quebec Nationalists when he became a friend of Great Britain; when he was her enemy he was their greatest hero.) But in the rest of Canada that sort of thing will not get very far for election purposes unless the "Tories" can be tied up with it. If they do not take Lord Halifax under their wing he cannot very well be accused of interfering in a Canadian political issue. That his audience was the Toronto Board of Trade is of course bad, but it is not quite bad enough; there were several Liberals present and they applauded quite loudly.

So if the lesser Conservatives can only be kept quiet for awhile, there is a possibility that the question whether Canada should enter into a sort of loose consultative alliance with the other nations of the Commonwealth may actually be considered by the Canadian people in an atmosphere of reason, free from the distortions and exaggerations of an electoral campaign. It is not a question which will be finally answered by the 1944 elections.

Interest Rates

IT IS fairly obvious that no Government is going to commit itself, and no government official is likely to commit himself, to an undertaking to maintain the interest rate on high grade bonds at a certain figure for a substantial period after the war is over. Interest rates are very sensitive things, and unforeseeable circumstances might easily render such a pledge incapable of fulfilment. But in the off-the-record proceedings of the recent conference between government officials and the editors of the national periodicals there was a statement made which justifies us in saying that these officials expect to be able to maintain the interest rate on new government borrowings at a figure extremely close to that which has prevailed during the war, so there need be no expectation that bonds already issued at the three per cent rate will deteriorate in market value because of subsequent higher rate issues.

This expectation was expressed with considerable confidence. It was based on the effectiveness of the various devices by which the government now influences the money market and which were practically unknown at the time of the last war. It can be realized, obviously, only if there is nothing in the shape of a "flight of capital" due to fear of confiscatory measures; in other words, the economic policies of Canada must not depart too radically from those of the United States, to which country we are a heavy debtor. It can be realized also only if the Canadian people continue to have faith in the integrity and justice of their government, and if that government continues to behave in a manner to justify that faith. But we are pretty confident that all these things will happen. If they do, all the war bond issues will continue to be saleable at practically the price at which they were issued, and no purchaser needing the money will be compelled to take a loss as the result of his patriotism.

THE PASSING SHOW

THE latest CCF argument says that foreign capital will be anxious to come to Canada because of dependable CCF management. Never have so many who have done so little been so sure of doing so much.

•

Nazi prisoners of war at Port Arthur went on strike for a bonus. Who says Canadians can't teach the Germans anything?

•

Tommy Manville is getting married for the eighth time. (Note to Composing Room: Check with Editorial Department for confirmation of "Eighth" just before going to press.)

•

John Wright of Moose Jaw, aged 71, has just received his draft call. For which war?

•

Britons are worrying lest the gum-chewing habit, imported by American and Canadian soldiers, should alter the British profile. Probably not, but they might watch for its effect on sidewalks and the under side of tables and chairs.

•

Back to Normalcy

When war's prosperity is done
And we return to the normal way,
Will service stations again be run
By men with a 'Varsity B.A.?

•

Sale of horse meat has been legalized in Three Rivers, Que., and the restaurants are said to be calling it their *"a la cart"* meal.

•

Apartment house owners are reported still dead set against making any family allowances.

•

Advertising man says that private enterprise has failed to explain itself to the man in the street. If it hadn't failed so extensively to provide him with a job in the 'thirties it wouldn't have had to.

•

We are waiting with interest for the Germans to show us that at least Rome can be unbuilt in a day.

•

Admirer

I got a brand-new pipe today, bought by a man I know.
He's always thought a lot of me, in fact admires me so
That he's inclined to overrate the worthy things I do
And underrate my weaknesses and think my faults are few.
My views on politics he thinks are almost always sound,
And what the country really needs is more like me around. . .
But I'm not boasting of my friends of this admiring type,
For to be wholly truthful, 'twas I who bought the pipe.

NICK

•

We don't see how the CBC can make out that the Labor Progressives are not a party. After all, all the other parties are against them.

•

Mr. Bracken is learning to speak French, thinking it will be quicker than waiting to get some followers who can speak French for him.

•

Criticism and Response

"The sonnet is too difficult for you,
A dabbler on the fringe of rhythmic art.
The limerick will be your better part,
Or trivial couplets of a common brew.
The sonnet needs high thoughts serene and true,
So turn aside before you ever start;
Grow you long hair and dwell a while apart
To fit you for the high poetic crew."

I answer, "Phooey! Sonnets aren't so tough.
John Milton wrote them on the quaintest themes
And made the form as commonplace as pie.
To keep one's rhymes in order is enough.
Let others have their passion-tinted dreams,
Let Pegasus go bucking 'cross the sky.

J. E. M.

•

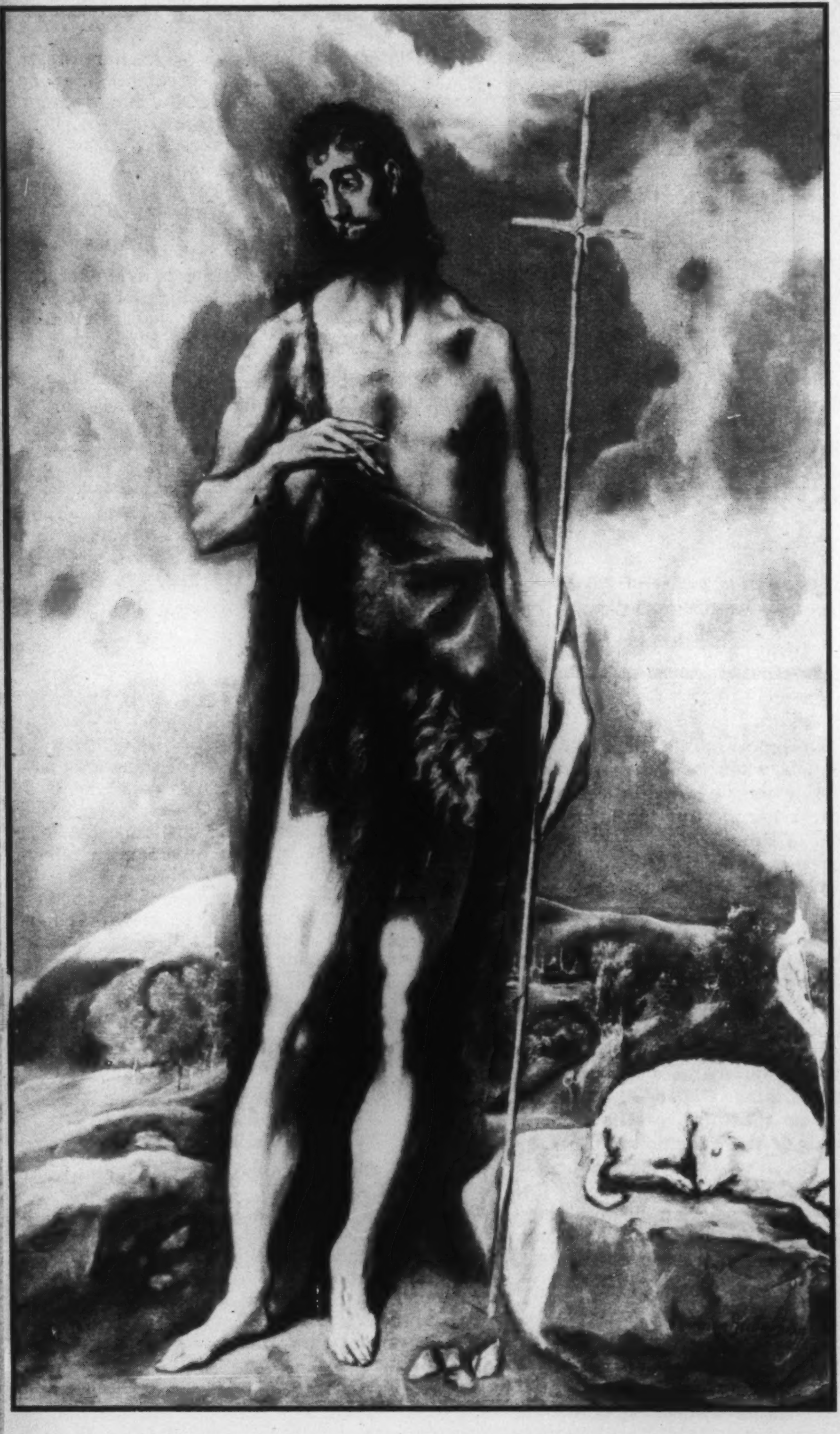
In aviation, says Grattan O'Leary, Canada feels that she should stand on her own feet. We had thought that her ambition soared a little higher than that.

•

Why doesn't Mr. Coldwell propose that the Canadian government buy the Aluminum Company, divide it in two, and set the halves competing against one-another?

Navy League's Exhibition of "Old Masters" . . .

By R. S. Lambert



Greco, "St. John the Baptist".
(From Arnold Seligmann, Rey & Co., New York.)

SEVENTY of the world's masterpieces of painting will be on view for a month in the Art Gallery of Toronto. Only seventy; yet it is probable they will never again be seen together in the same hall. For neither public galleries nor private collectors care much to lend their greatest treasures, with attendant risks of damage and loss. On this occasion, however, the war has made a difference; first, because many famous European pictures have been brought temporarily across the Atlantic for safety; and second, because the Navy League has given private owners a specially cogent reason for lending their pictures—to help raise funds for providing comforts for Allied Merchant Seamen.

So the Art Gallery can boast truly, in its circular, that no exhibition of this calibre has been presented before in Toronto. The pictures come from the National Gallery at Ottawa (already enriched by temporary loans from Europe), the National Gallery in London, the Royal Collection at Windsor Castle, and many American collections, public and private. Here is indeed a rich aesthetic feast.

The Exhibition covers five centuries of European painting, beginning with Matteo di Giovanni (1420-1495), whose work marks the transition from the stiff formal style of the Middle Ages to the early stages of modern individualism, and ending with a few living artists, such as Picasso, John and Rivera, of the immortality of whose work we can feel reasonably certain.

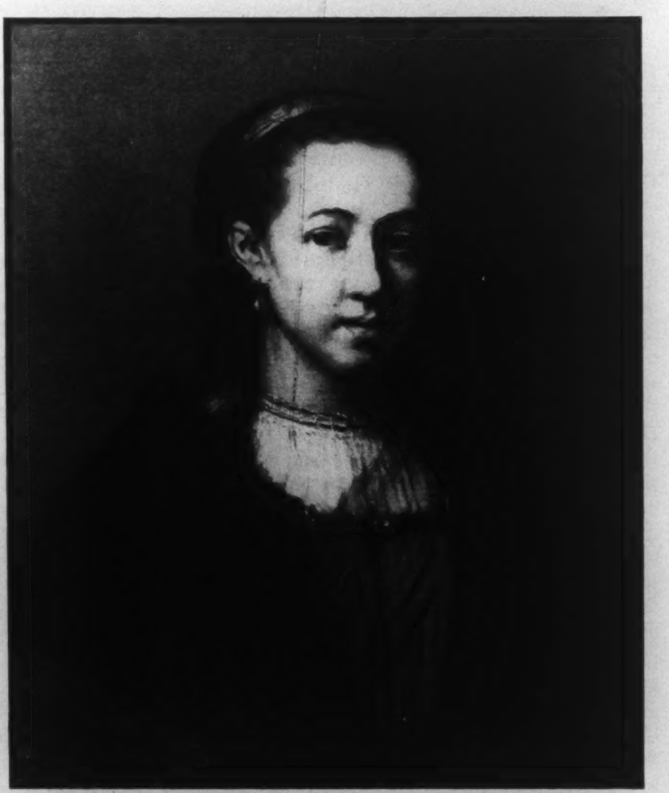
There are 47 artists represented, not of course all equally well. Some of the greatest masters, such as Botticelli and Raphael, are absent. On the whole, Italian art is under-represented; while German art, naturally, does not put in an appearance. But within these limits, there is something of everything: Flemish and Dutch interiors, the Spanish School, French Impressionism, and Post-Impressionism, English portraiture and landscape—and works by two Canadians, Morrice and Tom Thomson. The Committee is to be congratulated on its choice. There is no indifferent, let alone bad, picture among the seventy.

It is a bit of a problem for the visitor to know how to get the best out of such masterpieces. *Visiting* an exhibition, and *seeing* the pictures, are two distinct experiences. How often do we content ourselves with standing in front of a picture, verifying its number, reading about it in the catalogue, making sure that the persons or objects mentioned in the catalogue are really there, commenting on some detail that surprises or pleases us, and then moving on to the next picture? This method of visiting an exhibition increases one's stock of factual knowledge about 'old masters', but adds little to one's enjoyment of pictures, or one's critical powers.

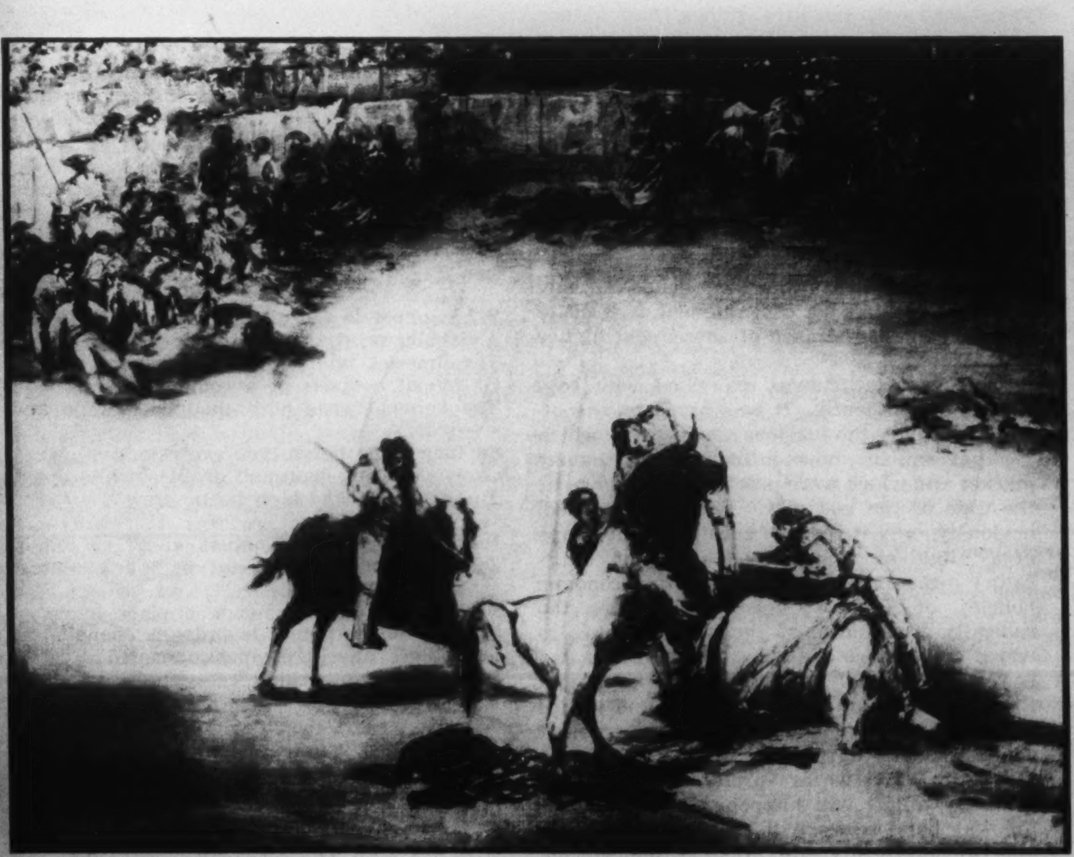
I suggest to the adventurous visitor a test. Before opening your catalogue, make a complete round of the gallery, examining the pictures with fresh unprejudiced eyes; mark down those you like best, and why. Then compare with your catalogue, and analyse your own opinions. This will at least give you foundations for judgment, and point the directions for most profitable study. Since all the pictures in this Exhibition are masterpieces, you cannot go backwards, only forwards, in your taste.

Given a limited time to view an Exhibition of this sort, one may reasonably be selective in studying it. Some great masters have more significance for us today than others; their work throws more light on contemporary art tendencies. El Greco (born 1540), for instance, was paid little attention to until about 30 years ago. Suddenly the critics began to remark upon his tremendous depth of religious pathos, his uncompromising vigor of expression, his subtle psychology and individualistic vision.

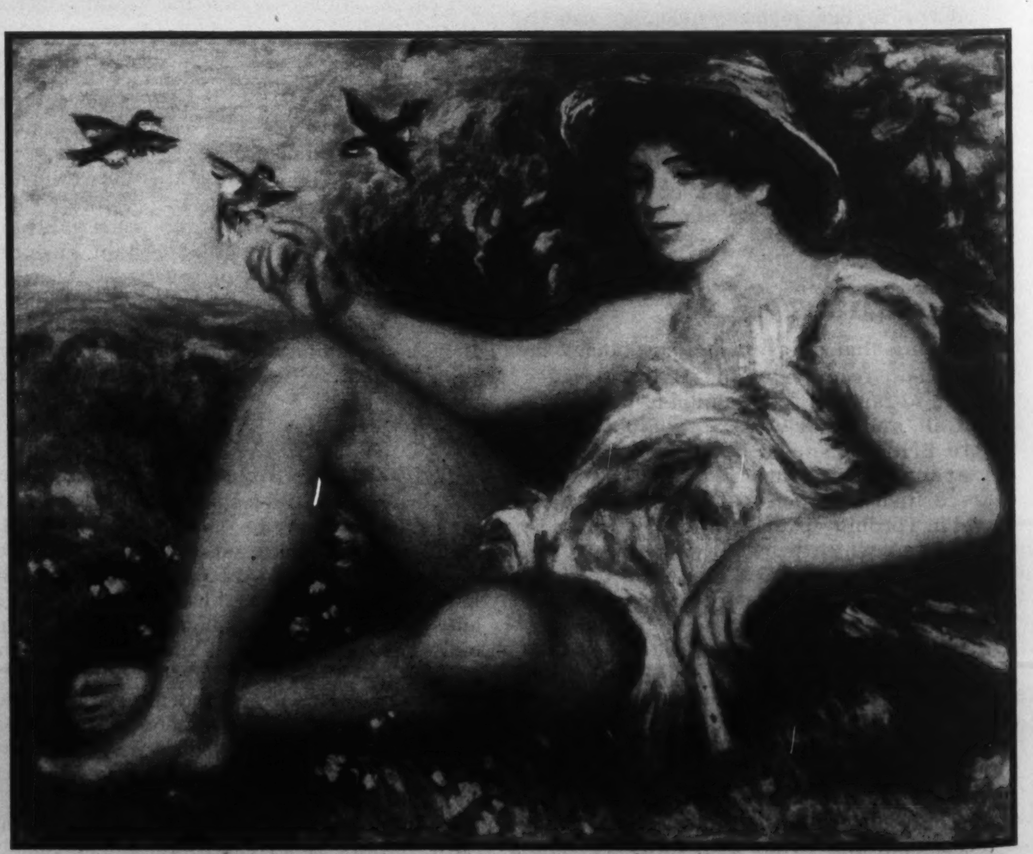
There are two El Greco's in this Exhibition—both worthy of study. In them you will find a sense of tragedy akin to that of Shakespeare in poetry (Herbert Read, the British critic, says that El Greco reminds him irresistibly of King Lear), and also some clues to the characteristics of



Rembrandt, "Hendrickje Stossels".
(From Duveen Bros. Inc., New York.)



Francisco Goya, "Bull Fight"
(Loaned by the Toledo Museum of Art, Toledo, Ohio.)



Renoir, "Young Shepherd with Birds".
(From Durand-Ruell Incorporated, New York.)

. . . Throws Light on Contemporary Art Trends

'modernistic' art. El Greco, it has been noted, deliberately 'distorts' the human figure to express psychological values. For instance, in 'Christ in the House of Simon', he elongates the bodies of the disciples crowded around the table, in order to emphasize their emotion at the Last Supper. El Greco gives the lie to those who still evaluate great art in terms of photographic realism.

Van Gogh is another significant master whose pictures increase in influence and importance as the years go by. There are three of his paintings in this Exhibition, and all reflect his constant preoccupation, throughout a tragic life of struggle against madness, with the underlying purpose of life. Van Gogh was striving, as we strive today, to reach some clue to the enigma of human personality. "In a picture," he wrote, "I want to say something comforting, as music is comforting. I want to paint men and women with that something of the eternal which the halo used to symbolize, and which we seek to give by the actual radiance and vibration of our colorings."

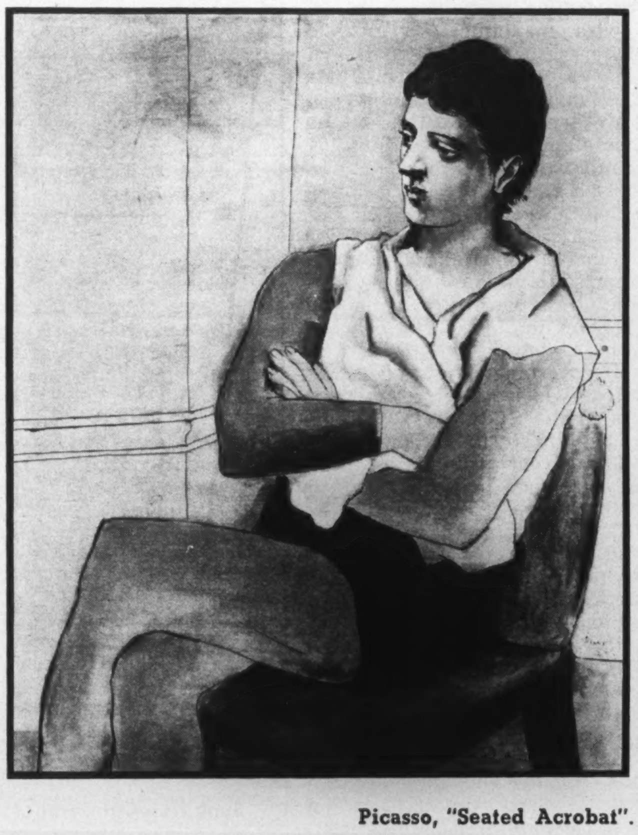
In the light of this interpretation, it can be a thrilling experience to compare, say, Van Gogh's "La Mére Roulin et son Bebé", with the portraiture of the giants of the age of aristocracy—Reynolds, Gainsborough, Titian and Velasquez, or their modern descendants, such as Sargent. Democracy has done something to the art of the portrait.

Four works by Picasso and one by Diego Rivera figure in this Exhibition. Both are key-artists, so far as the understanding of present-day aesthetic tendencies are concerned. Picasso is the great experimenter, an artist who has ranged over every kind of style in his effort to make an outward expression of his explosive inner feelings. Rivera, the Mexican, is the outstanding propagandist of modern art, the only genius in painting thrown up by the philosophy of Communism.

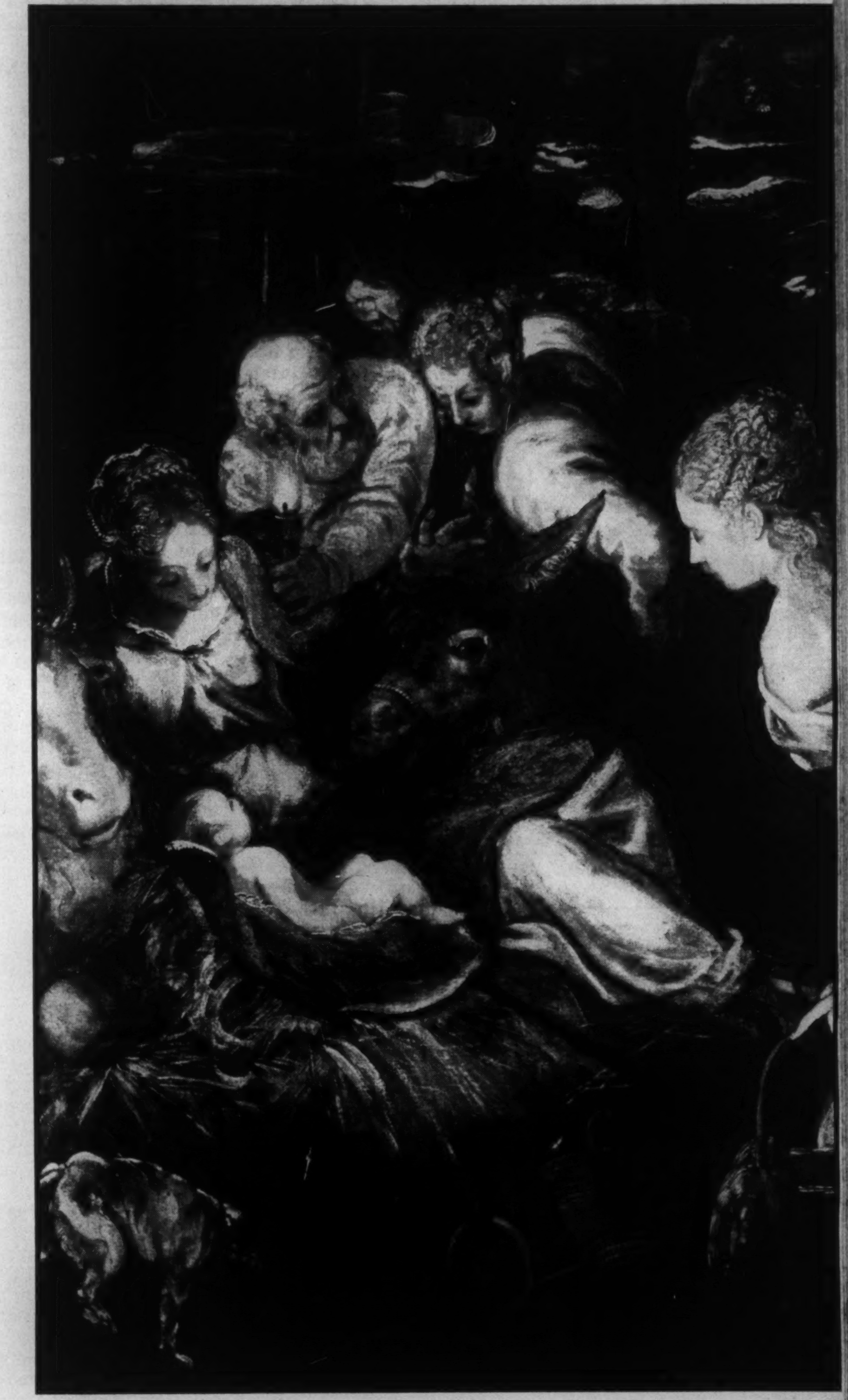
These artists will rank high when the history of twentieth century painting comes to be written. Their work reflects the age of storm and upheaval brought upon us by world wars. That social conditions affect artistic style is shown by the affinity between the work of these artists and that of Goya, the Spanish Court painter who could not stifle his loathing for the world he was forced to adorn by his art. Alike in his portraits, his bullfights, and his scenes of war, Goya creates an atmosphere of tensity, irony and protest that reminds us of the work of Picasso and Rivera a century and a half later.

It is fascinating to trace the origins of contemporary art styles in the old masters, and to see how, again and again, a similar social environment produces similar methods of treatment. But there are a score of other experiences, equally educative, that we can derive from this Exhibition. Through these pictures we can escape from our own times into the romance of history. The photographic fidelity of detail indulged in by Canaletto or Marieschi reveals to us the long departed glory of seventeenth century Venice in a form we can never hope to see again. The glowing patriotism that inspired the Netherlands Masters, such as Van Eyck, Jan Steen, Cuyp, Franz Hals, has enabled us to enjoy their minute portrait of the face of Holland, as seen in the daily life of its thrifty and orderly burghers and peasants. And in England, the satirical grace of Hogarth opens to our understanding the most enduring tradition of English art—the translation of literary genius into pictorial form through the "narrative" picture—the picture that "tells a story" for succeeding generations.

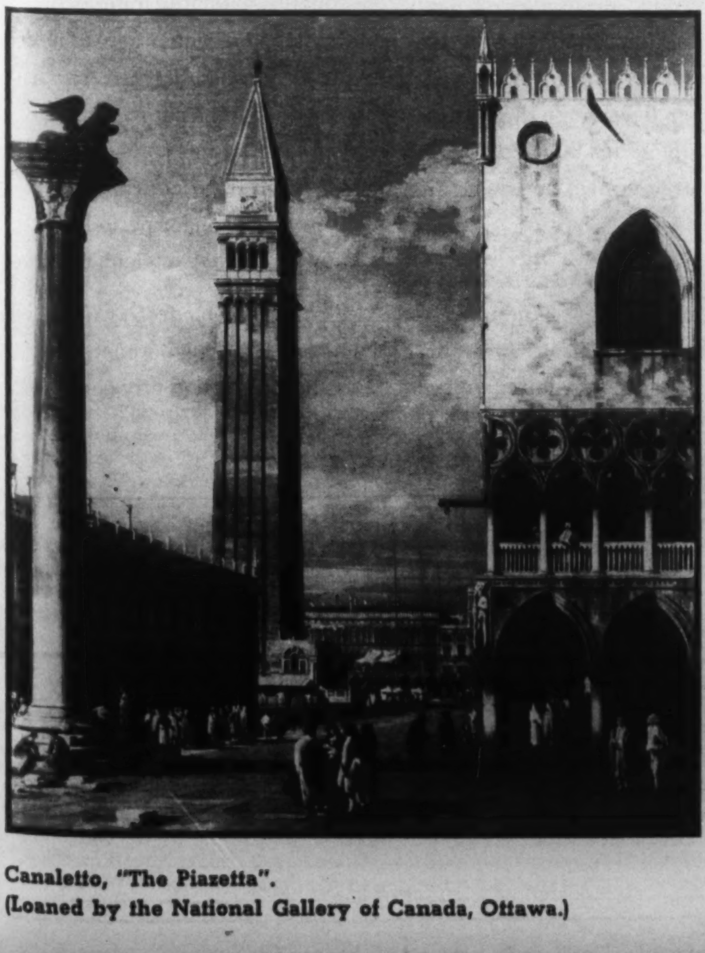
No doubt many Toronto schoolchildren will be taken to visit this Exhibition. Let parents and teachers not forget that it can teach history equally as well as art appreciation. These are all fine ways of using our opportunity. But for myself, I confess I love the old masters best for the light they throw on the new ones that are emerging, often unrespected and even reviled, in our own time.



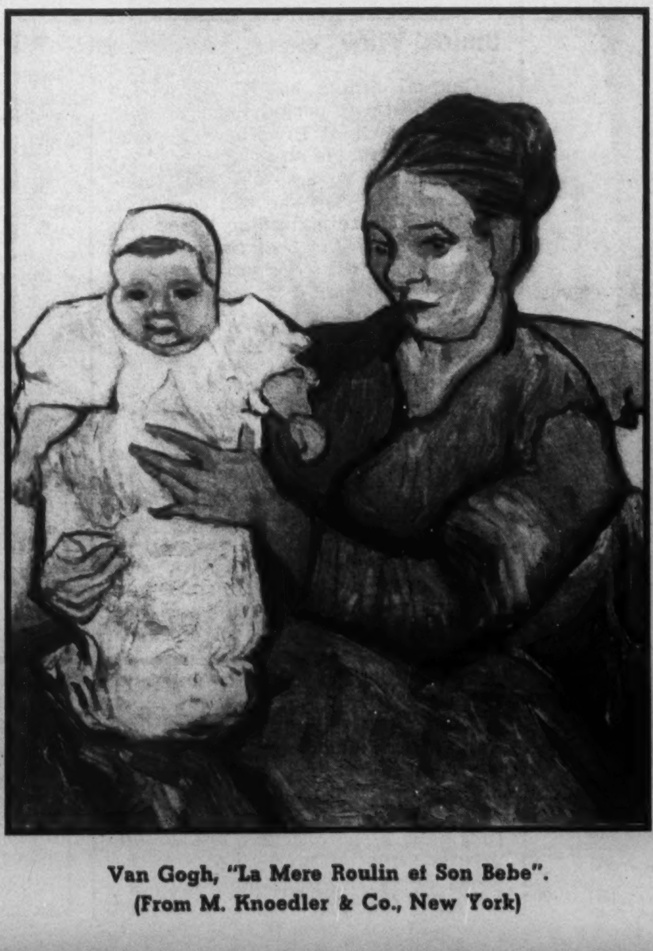
Picasso, "Seated Acrobat".
(Loaned by Mrs. W. Averill Harriman, New York.)



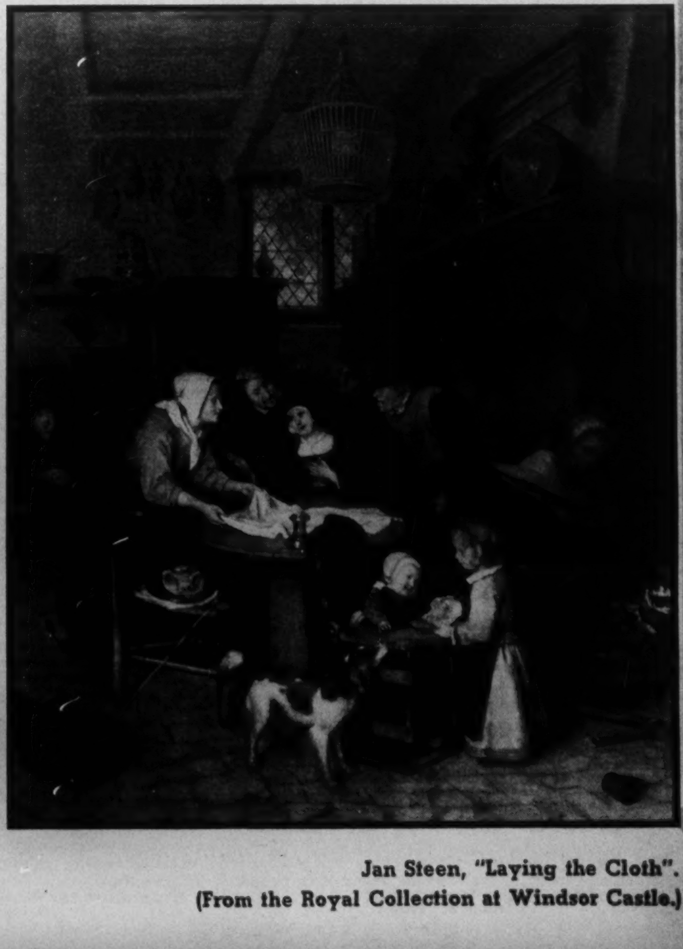
Tintoretto, "Nativity".
(From Arnold Seligmann, Rey & Co., New York.)



Canaletto, "The Piazzetta".
(Loaned by the National Gallery of Canada, Ottawa.)



Van Gogh, "La Mere Roulin et Son Bebe".
(From M. Knoedler & Co., New York)



Jan Steen, "Laying the Cloth".
(From the Royal Collection at Windsor Castle.)

Commonwealth Could Give World Example

By EMANUEL SHINWELL, M.P.

This noted British Labor Member of Parliament advocates a policy of much greater exchange of commodities between Great Britain and the Dominions and Colonies in the post-war.

He believes that co-operation between the members of the Commonwealth, provided it is planned to secure the highest measure of well-being for all and does not follow out-of-date economic conceptions, rather than offending international relations would give a lead in sane economic practice to the world.

WITHIN the British Commonwealth system there are 500,000,000 people, or a quarter of the population of the world. In comparison with the populations and natural resources of the United States or Soviet Russia, Great Britain is in the bantam class. *This country, however, is the pivot of the British Commonwealth of Nations which, to quote General Smuts, "remain as one of the greatest things of the world and of history."*

It is, I think, sufficiently well known that I have nothing in common with the Imperialists of other days, who committed many a gross blunder in colonial policy and refused to face the realities of the Indian situation.

I am concerned with the post-war well-being of our people, and I think that within our practically self-contained union of Dominions and Colonies there are immense possibilities for economic and industrial co-operation which will further that objective. In a word, we can make the Commonwealth a going concern without defiantly cocking an economic snook at the rest of the world or disinterring the corpse of economic nationalism.

In certain of the Dominions the general standard of living is much higher than in Britain. But in India and the Colonies there is enormous room for improvement. Think what the stimulation of demand from these parts would mean for the entire industrial and manufacturing resources of the Commonwealth. We are missing a great opportunity if we wallow in the pessimism of scarcity economics. Within the British system there are the resources and the machines to produce abundance.

What is wanted is far-sighted planning, the shedding of out-of-date economic conceptions, and the concentration of political, financial and industrial intelligence on the great project of securing the highest measure of well-being for all. We have built up a fine understanding and accepted joint responsibility in the great task of winning the war. It would be worse than foolish to allow this great venture in Commonwealth co-operation to fade out with the coming of peace.

Changes of War

With the practical disappearance of certain pre-war factors—foreign investment income, for example—which closed the gap in the national annual trading account of £800,000,000 imports and £400,000,000 exports, it is imperative that we should develop with maximum energy and enterprise fresh sources of national income. We must find new outlets for the mammoth production of which we are capable. There is no hope for augmented scales of living—full employment and more comprehensive social services—unless these cardinal conditions are fulfilled.

As an encouragement for greater teaming-up amongst the British Commonwealth nations in the days to come, it is worth remembering that of our total exports of 1938 nearly half went to our partners in the self-governing unity—not yet completed—which has its charter of freedom in the Statute of Westminster. They, in turn, accounted for about 40 per cent of our imports.

In advocating a policy of a much greater exchange of commodities between Great Britain and the Dominions and Colonies and thus securing greater prosperity for the contracting parties, I am not unmindful of the claims of the larger world of which the British Commonwealth of Nations is but a part. Indeed, I see great advantages accruing to the idea of an eventual smooth-working world economic order if Canadians, Australians, New Zealanders, South Africans, Indians and ourselves can demonstrate that real co-operation in the full exploitation and distribution of essential commodities can be achieved.

Smuts' View

General Smuts has told us that in the post-war period the economic position of Great Britain will not be too promising. He sums up the situation thus: "From a material, economic point of view she will be a poor country. There is nothing left in the till." *My reply is that there can be plenty in the till if we have the commonsense to put it there. But we have to shake ourselves out of old-fashioned ideas and have small patience with those who are slavishly attached to fiscal precepts, which can produce nothing but the economic wastage of the past.* Equally, we must give short shrift to those who would pit their individual interests against the welfare of millions.

There has never been a shortage of courage and ability in Great Britain. Our industrial capacity has never been developed to the full. Properly mustered it can produce that standard of living for our people which is our goal. And here let it be said that while we cannot minimize the importance of the export trade there is no reason why it should be exaggerated. Of course, we must export in order to pay for imports; but with a great industrial organization turned over from war-time to peace-time production, greater attention must be paid to the scope of the internal market.

I know that there will be awkward problems to face in bringing about the Commonwealth economic co-operation I have in view. But I think we can count on the fundamental condition for all successful working, namely good will. There is no lack of democratic feeling in the Dominions: we can look to its increase in this country in the days that lie ahead.

There are some people in Great Britain who fear that the wartime development of secondary industries in Canada and Australia, for example, will shorten the market for the products of the Mother Country. It should not be beyond the wit and understanding of the Dominions and ourselves to come to arrangements mutually satisfactory. There might **even be some scope for measures of preference which would not be designed for the consolidation of private interests nor thrown down in open defiance of the economic aspirations of other nations; but modelled solely on considerations of the prosperity of peoples with a common inheritance of many of the important things of life.**

After all, the question of maximum production is as important to the Dominions in maintaining their present high scales of living as it is for us in advancing our own. Between the Dominions and ourselves there can be a constant exchange of ideas and technical personnel, so that the purposes of progress may be adequately served.

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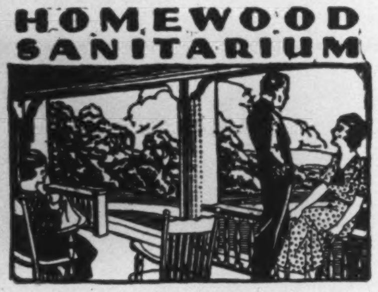

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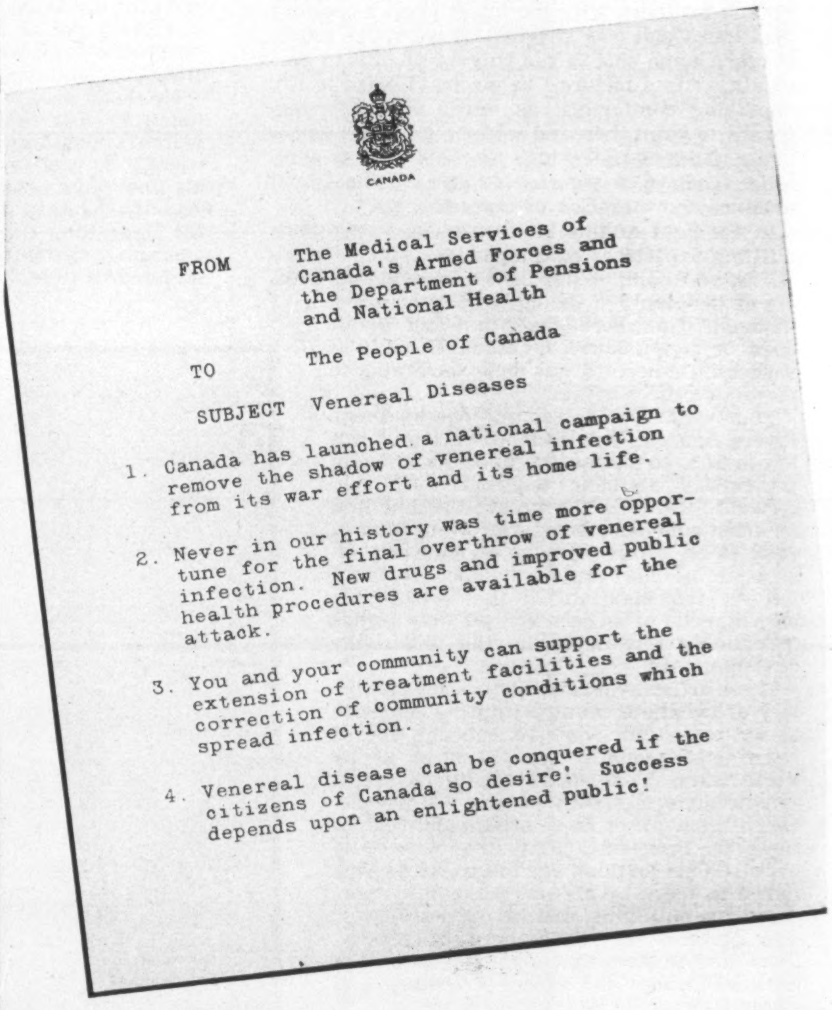

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BRITISH NEWS-LETTER

Kuomintang - Communist Feud in China Is Still Grave Menace

By COMMANDER STEPHEN KING-HALL, M.P.

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MANY people have recently complained that it is impossible to learn from the press what is really happening politically inside China, and ask if I can provide further information on this subject. I am therefore, sending a report which just reached me from Central China dealing with the old struggle between the Kuomintang and the Chinese Communists; also the recent famine in Kwangtung and North Honan. Before quoting the correspondent's report a word is in order about the Kuomintang-Communist rivalry.

For years past the struggle between the two factions has impeded Chinese unity and weakened the power of the central government. At times the difference between them appeared to be one of ideologies, and at other times it appeared to be more of a struggle for power between the rival leaders and groups. The Kuomintang or Nationalist party claimed the right to be the sole political party in China, a claim the Communists never recognized.

Only Temporary Truce

The reopening of hostilities with Japan in 1937 quickened the growth of nationalism and national unity among the Chinese. The breach between the Kuomintang and the Communists appeared to be healing, but with the fall of Nanking to the Japanese early in 1938 the old division became sharper. Throughout 1940 war weariness and the impoverishment of the people encouraged the spread of Communism throughout the lower Yangtse region at a rate which alarmed the conservative elements in the Kuomintang. Among the latter were Ho Yingchin, Minister of War, and Ku Chutung, Commander-in-Chief of China's third army zone. Both were able men whose loss would be a serious blow to the Chiang Kai-shek Government. Also the important Leftist element in the Kuomintang, headed by Sun Fo and General Feng Yuhsiang, insisted that the government must try to secure the cooperation of the Communists in order to beat the Japanese.

By the autumn of 1940 the Conservatives in the Kuomintang were in the ascendant and the Communist fourth army, which was one of the best trained and equipped forces on the Chinese side, was ordered north of the Yangtse in an attempt to stay the growth of Communism in the important area south of the river where it had been operating. The order was disregarded by the fourth army, and in January 1941 its rear-guard was attacked south of the river and crushed by the forces of Ku Chutung. Shortly afterwards a decree was issued by the Chungking government dissolving the fourth army.

Communists Stood Aside

This friction produced great bitterness among the Communists and gave them the pretext for standing aside when the Nationalist armies again were heavily attacked by the Japanese. The neutrality of the Communists at a time when the Nationalist forces were being hard pressed by the Japanese produced in turn resentment and hostility both in the ranks of the Nationalist armies and among the Conservatives in Chungking. The relations between the two factions thus got into a vicious spiral and in the great battles that took place in the spring of 1941 in Shansi and Chekiang the struggle developed on a trilateral basis between the Nationalists, the Communists and the Japanese.

For a time it looked as though this internecine strife might so weaken China's military effort that the Japanese would be able to crush Chinese resistance. Fortunately the attack against Russia by Japan's Axis partner went some way toward healing the breach between Chungking and the Communists. Whether Russian advice to Chinese Communists had any part in the development it is impossible to say. At any rate the spectre of civil war in China receded into the background, although as our correspondent shows, the old rivalry still remains. Now for the report from China.

Government the Aggressor?

"There are certain indications that the Central Government is taking steps to try to break the Communist influence in the Northwest now, rather than waiting until the end of the war.

"There have been clashes between the Communist eighteenth route army, formerly called the eighth army, and Government troops, each side blaming the other for the clashes. While it is impossible to get at the precise facts, the general impression is that the actual firing began from the government side, though this was denied in government quarters. These quarters however take the line that clashes can hardly be avoided so long as the Communists keep trying to extend the area under their control beyond the limits assigned to them by the central government. They argue, quite rightly, that no government can allow political parties to have armies of their own.

"The Communists, on the other hand, emphasize the fact, equally true, especially in the earlier stages of the war, that they have made a real contribution in the war against Japan and deserve different treatment from what they have received. They also argue that without their army there is at present no guarantee of continued freedom and the existence of the Communist party or of the personal safety of their members.

Plead Self Defence

"For a long time there has been a ring of government troops around the Communists' area and no supplies were allowed through, not even medical. The government authorities say the Communists are doing nothing against the Japanese now and have even been negotiating with them. This the Communists strenuously deny, adding that the reason they are not able to do more now against the common enemy is that the central government has not sent them the supplies originally promised. To this the government spokesmen reply that the Communists used the supplies sent in the early stages of the war to expand their own armies and extend their authority.

"It cannot be denied that the Communists have expanded their armies and extended the area under their control, but they would claim that both were the natural result of the prosecution of the war against the Japanese, that it was necessary to secure the support of the local people for the prosecution of successful guerilla warfare, and that this involved the political training of the people throughout the whole area concerned. In view of the past relationship between the Communist party and the government the latter viewed such expansion of the Communists with great concern.

"The relationship of the Communist party to the Kuomintang and the central government is the biggest problem that faces China today and in the future. While many feel that the Generalissimo wishes to solve the problem on liberal lines, the Communist party is by no means convinced that he can carry the Kuomintang as a whole with him. The Generalissimo is emphatic that the Communist party must give up its army before it can be afforded recognition as a political party, but the Communists feel that there is no guarantee of political freedom under the present Kuomintang Government."

The article by T. A. Bisson entitled "China's Part in the Coalition War," which appeared in *The Far Eastern Survey* of July 14, 1943, caused deep concern in government circles and bitter resentment in some quarters. The article, I think, goes too far in its division of China into democratic China, referring to the area under Communist control, and feudal China under government control. This is too sweeping a generalization and it was somewhat qualified towards the end of the article. But the picture given, even if overdrawn, has the advantage of focussing attention on the problem facing China today.

This article and Hanson Baldwin's "Too Much Wishful Thinking About China" in *Reader's Digest* for August have both been strongly criticized. The official *Central Daily News* was particularly bitter about Baldwin's article, and it is unfortunate that he made the statement "China is not a nation in our sense of the word, but a geographer's expression". The Chinese press fastened on this remark as an insult to China and as ignoring the unity that had been forged by the fires of war, and therefore failed to give attention to much that was valuable in the rest of the article. The appearance of these and similar articles in the American press has caused a great deal of heart-burning among the Chinese, who had not expected criticisms from that quarter.

Before adding a few notes about the Honan famine, the correspondent mentions that famine conditions are also extremely serious in Kwangtung where people are dying by the thousands. The government, it is said, feels the task beyond its power and has practically given up trying to save the old people, concentrating on the orphanages. One of the difficulties facing the government is that to send food to the most needy areas it is necessary to pass close to the Japanese lines, and they are afraid Japanese foraging raids might capture supplies destined for the stricken areas.

Regarding Honan, in the winter and spring of 1943 great numbers died of starvation, and in certain counties more than half the people have fled. In the areas where the famine is worst one *mu* of land, one-sixth of an acre, can be bought for the price of one bushel of grain—probably cheaper in terms of grain than it has ever been and a good indication of the desperation of the people. Most of the people have sold their clothing, farm animals, implements—indeed, anything marketable they possessed.

Part of North Honan is still under Japanese occupation, but the actual direct control of the enemy is restricted to a few important towns. However, the hold of the enemy is still firm. He has airfields, all railways, motor roads, telegraph, telephone, all heavy armament and the capacity to bring an effective force to bear at any point where it is needed.

Moreover, it should be understood that in the spring of 1943 the enemy inflicted a crushing defeat on the last of the central government forces in operation in that area. There are now no central forces, not even guerillas, in all Northern Honan. All troops, other than the enemy forces, are either puppet troops serving the Japanese or troops of the Chinese eighth Communist army. The influence of the latter force is paramount in certain counties, and although their numbers are not large their spirit is great and they believe in their cause. Their possible influence in the near and distant future should not be minimized. The common people are wonderful in their fortitude and hope for the future. They all know of the present trend in the war and believe the enemy will soon be driven out.

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Hitler is a Good Imitator But He's Not a Napoleon

By FRANCIS X. CHAUVIN

Hitler today is exactly where Napoleon was in the dying days of his Empire; and it is Great Britain — the England of Napoleon's time — that brought them both to the same pass.

Hitler, like Napoleon, can be saved only by a "great victory", and a great victory is no longer within his reach.

Napoleon drew his strength from his genius, Hitler from the weakness of his opponents, and that weakness is at an end.

IN MAY last a sort of prediction was published in Windsor's (Ont.) only daily regarding the eventual fall of Hitler. This prediction was based on numerology and the figures were furnished by me. Of course, numerology is not a science, and therefore it offers no background for establishing a relation between past and current events. Nevertheless, the study of cycles presents some interest.

In this case, the cycle is 129 years and has its source in the life stories of Napoleon and Hitler. Here is the way it runs: the French Revolution broke out in 1789, the German Revolution in 1918 — *129* years later. Napoleon became emperor of France in 1804, Hitler became dictator of Germany in 1933—*129* years later. Napoleon started his Russian campaign in 1812, Hitler invaded Russia in 1941—*129* years later. The end for Napoleon came in 1815, and so the end for Hitler should come in 1944—*129* years later.

For a long time before the war, it was a fancy in Germany to compare the Fuehrer to Napoleon. This was in the days when the Nazis were endeavoring to inculcate in the hearts of all Germans a mystical faith in Hitler, whom they described as the Man of Destiny, the Nuncio of Providence, and a "rapprochement" with the man from Ajaccio was a clear road to popularity. But the Germans, in their enthusiasm, lost all sense of measure. To transform Adolf Hitler into Napoleon Hitler is too much. All military experts agree that if the Fuehrer had had against him at any given time one quarter of the strength of a coalition analogous to that which barred the way of the Corsican in any of his enterprises, the Third Reich would long since have been reduced to ashes and its founder would have been dead or in exile. Napoleon drew his strength from his genius, Hitler draws it—or drew it at the start—from the weakness of his opponents. There is the difference, but the Germans never could see it.

Points of Comparison

However, there are points of comparison between Napoleon and Hitler which the historian of tomorrow may have to take into account. These points in no way refer to their respective personalities, for on that score they have nothing in common. Napoleon never had a pre-conception of his destiny. He was not affiliated with any party, therefore there was in him no intransigeance of principle. Events came to him unexpected; they took him by surprise. The war which he had to face was imposed upon him by circumstances not of his creation. It was the constituted authorities of France who placed him at the head of an army, and gave him a mission. It was success and conjuncture that made of him a conqueror. Not so with Hitler, in any of those considerations.

Where the analogy between Napoleon and Hitler enters is in the execution of plans, and in this the Fuehrer proves himself only an imitator. Watch Napoleon in action. His moves are always in advance of his enemies. He makes sure of the choice and the freedom of his movements. His successful campaigns are carried on by the "coup de force". It is the lightning war of our day. No one can pierce his thought: all is like a thunder-clap. He always has, at a given point, superiority in time, in numbers, in means. He dictates his treaties and imposes his friendship. Was all this not a part of Hitler's strategy in Poland, in Belgium, Holland, Norway and France? Hitler apes!

The comparison does not stop at the mode of action: it reappears in the obstacles that present themselves and in the crises that develop. Let us speedily survey the situation. The conquest of Belgium by Napoleon had broken the European equilibrium, a circumstance which forced England to rise against France, even though she had no army to oppose the conqueror. What will Napoleon do? Will he invade the British Isles? Stop! If England has no army, she has a powerful fleet, and Napoleon has but the nucleus of one. An idea strikes the First Consul: he will impose a quick peace with England and come to an understanding with her. Hence, the Peace of Amiens in 1802, which Napoleon believes sincere and definite; but it is only a truce. Obliged to cede for the time being, England organizes, maintains those successive coalitions in Europe in which she will appear only in the final act. Waterloo! By then, she has an army and a great general, Wellington.

Russian Invasion

A few years pass. In the interval, a revolt in Spain. Napoleon realizes that he who would vanquish England must gain Russia's friendship. He attempts a conciliation with Alexander with a note, but the Russian Emperor vacillates and Napoleon, in consequence of this hesitation, invades Russia, which he hopes to conquer in twenty days. We know the rest. When the Emperor returned, the human resources of the greatest military power Europe had ever seen were exhausted. He, however, succeeded in banding together an army of 600,000. His manoeuvres are still as brilliant and spectacular as in the days of his great victories, but the theatre of war is too vast. He consumes himself, and his generals lose themselves. The game is over—Waterloo—St. Helena!

The analogy here between Napoleon and Hitler is striking. The only difference is that Napoleon was forced by circumstances to act, whereas Hitler acted without provocation. Hitler, too, had planned to overrun Russia in a short time. He was stopped at the gates of Moscow, and defeated at Stalingrad where the tables were turned. Since then, the retreat of the Germans has been constant, attended by irreparable losses in men, resources and materials of war. He too, like Napoleon, had his eyes on England when he invaded Russia in June, 1941. England was the only obstruction to his dream of a German Europe, but he knew, like Napoleon, that he could not lay England prostrate with the Russian Moloch undaunted. Hence his fatal mistake. Today he begins to reap what Napoleon reaped. The hour of crisis has rung!

And again the parallel continues. After the Moscow disaster, Napoleon controlled the major part of central Europe outside of Turkey and the Balkans. But his adversaries have studied Napoleon's methods and they have made progress in tactics; their technique is uniform and their unity indissoluble. Napoleon must face them. He is haunted by Leipsig! He no longer has faith in his allies. He fears. His old tempo has disappeared, anxiety hampers the boldness of his attacks. Defections occur all about him: The Westphalian cavalry passes to the enemy camp; the Saxons and the Wurtembergers fire on their former comrades; the Bavarians hesitate and will follow the stronger; Bernadotte, now Royal Prince of Sweden, makes common cause with the Emperor of Russia, his future neighbor; Murat withdraws to Naples, where his personal interests are menaced; his brother-in-law, the Austrian Emperor, cynically rejects him. Now he understands the portent of the patient diplomatic work of England, and he realizes that the continental power against which England has leagued all the other nations is irremediably lost. After 22 years of successes and reverses, of slow preparations and unreliable combinations, it is the end: Waterloo!

England the Barrier

Now, it may not be true that history always repeats itself, but look at Hitler today. All his hopes in Africa have vanished; Italy has passed to the allies; Russia is unseizable; his generals are bewildered; unrest at home and in the overrun countries is seething; revolt and sabotage are spreading; Turkey, Bulgaria and Rumania are hesitating; Spain does not respond; his resources are being ruined; his armies have been decimated; thirty-two nations have coalesced against him. And *that England* which he so wanted to humiliate and destroy! *She* is the instrument of his inevitable downfall! While he wastes his energies in conquests and self-defence, England builds her land, air and naval forces; she makes coalitions; she spreads the gospel of liberation in vanquished lands; she dispels fears and breeds hope. Hitler, like Napoleon, looks at that Rock of Tantalus. How he would like to grab it! But impossible. It is too late!

Just before Waterloo, Napoleon said to his entourage: "I must win a brilliant victory". It was the thought of a beaten champion. He won a victory at Ligny, but it was his last. Hitler said to his general staff only a few months ago: "I must win a great victory". He did: Kos, Leros, Samos. The fault of Napoleon is that he thought too much of his victory at Ligny, and too little of his opponents. Hitler, no longer able to score great successes, thinks too much of small, temporary gains, and he still thinks that he is invincible. He is too late. The die is cast, it is merely a matter of months!

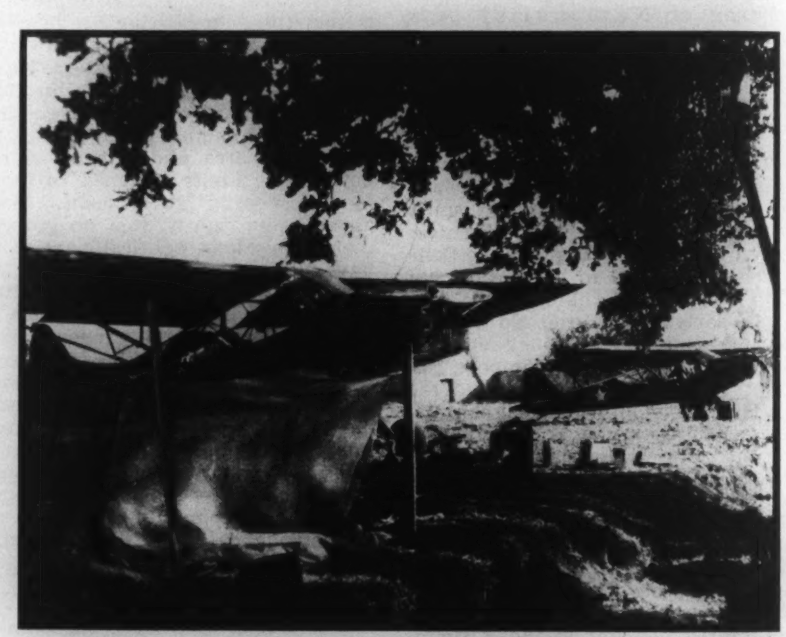
Voice of Peace

The cry of "Vive l'Empereur" had shaken half Europe. In a decade it had gained a legendary force throughout the Continent. But was it imperishable? No more than were the eagles of Marengo imperishable! The mythical energy of this cry was to subside with the setting of the sun on a particular day. Tomorrow, it would be heard no more! Shortly before that fatal day, a voice had shouted from the rostrum: "If we rid ourselves of *him*, peace will be ours for the asking". It was the voice of old Lafayette, who was speaking for the people, it was the voice of democracy seeking liberation. Carnot and Sieyès, like Romans of old, tried to defend the Emperor! Lafayette again sprang to the rostrum: "Have you forgotten where the bones of our sons and our brothers whiten? In Africa, on the Tagus, on the Vistula, amid the snows of Russia. Two million have been the victims of this one man who wanted to fight all Europe! Enough!"

"Heil Hitler!" This cry has been heard throughout Europe for the past decade. For a time, it possessed a legendary force in Germany. It is yet a force for fanatics like Goering, Goebbels, Himmler, Ley, Rosenberg, the myth-creators. But the sun is setting, and soon, Oh yes, soon, it will be heard no more! **Already, the rumblings of the people are echoing: "Outlaw him—and we shall have peace for the asking." Already, some German worker, voicing the impatience, the fears and the hopes of the masses, cries out: "Have you forgotten where the bones of our sons and brothers whiten? In Africa, on the Vistula and the Sangro, amid the snows of Russia. Four million have been the victims of this one man who wanted to conquer the world. Enough!"**

And here this thought of Frederic the Great, after the Seven Years' War, presents itself for meditation: "Time which heals shall bring abundance and prosperity to the states who have suffered; but other ambitious men will bring on new wars and new disasters. It is the weakness of the human mind never to let examples reform anybody. The follies of the fathers are lost for the children; each generation must commit its own." Don't you understand—Herr Fuehrer? Frederic the Great, Bismark, Wilhelm, Hitler! Enough!

Very much "Johnny on the Spot" in Italy are flivver planes like this "Piper Cub", smallest aircraft of the R.A.F., which is used for spotting targets for Allied artillery. They operate from the most forward positions and do not require regular airfields but hop from one "pocket handkerchief" field to another to keep up with advancing infantry. When there is some pocket of resistance that must be cleared out, these "flying sewing machines", as their crews call the 65 h.p. Cubs, get its exact location and relay that information to the long range guns. As they must be ready to take off at an instant's notice, the pilots, as the photograph below shows, "bunk" in the open beside their planes.



Not that they seem to mind, judging by the smile of this chap who is bidding goodbye to a fellow pilot. Maybe some of us will be hopping around the country in little "jobs" like this when the war finishes.

Your Affairs and Public Affairs

As reflected at the Annual Meeting of the National Trust Company

CREDIT

UNDER a government believing in free enterprise, as at present, private enterprise and public ownership can go ahead, operate freely, without fear of discrimination against public enterprise, adjusting the balance between them as public opinion from time to time demands. Meanwhile no injustice is being done to public ownership, no bridges are being burned; nothing irrevocable is happening. On the other hand, the very minimum change which Socialists suggest, namely, the socializing of credit if they get into power, has a profound and immediate effect on all business of every kind. At the best it will leave business harassed and hesitating, and may very well create conditions which will hasten the Fully Planned Economy by making it impossible for anything but public ownership to survive.

● Practically all Socialists, so far as I know, are in agreement that whatever else is done, one of the things to be carried out immediately is to put all credit under the direct control of the state. The state of course in Canada has indirect control of all credit since the creation of the Bank of Canada. The Bank of Canada, however, has confined itself to controlling credit policy, leaving the actual granting of individual credits to the chartered banks. But Socialism is not satisfied with this and proposes a direct control. Let us consider this proposed assumption of direct control of credit by the state from one point of view only, namely, its effect on the ability of private enterprise to continue in the field not yet invaded by public ownership but still left to private enterprise temporarily—on borrowed time, we might say. . . .

● In the past our borrower has sought credit under business conditions which were reasonably favorable to him. There have been ten banks competing for business, all keen for new accounts. If he failed to obtain what he wanted from one, he could try elsewhere. Competition was real, and it was quite possible that he could persuade one of the others that he was credit-worthy. Further, he was dealing with people whose whole training led them to assist expansion and who were accustomed to take legitimate business risks.

● Now let us imagine the same man seeking credit under a system of state credit. He approaches the credit controller feeling like an outcast who has to deal with distant and rather indifferent relatives. He knows that he is only tolerated as a temporary even if necessary evil. He has every reason to believe that he will be taken over in due course, and he has no means of knowing when. How many years has he to carry on? Is he high up or low down in the list for taking over? Will the whole industry in which he is engaged be taken over or will the government enter into competition in the industry, with the government company operating on probably specially favorable terms, and force him to the wall? If the first alternative happens, what compensation will he get? If the last alternative, will he get any?

● These are the thoughts which must face our business man as he decides whether to try to carry on or to terminate the uncertainty by salvaging what he can—in other words, by liquidating. He may even have the feeling that by refusing to face the struggle he may win favor and get better treatment. Moreover, if he struggles on and things go badly and he eventually is taken over, his compensation is almost bound to be reduced. The prospect is bleak. . . .

● The controller's position in considering the loan is not too enviable either. He is now part of a bureaucracy and his career depends on not making undue losses. He will be conscious of the fact that under Socialism his borrower is in a weakened position if only because it is uncertain how long government policy will permit him to carry on. The controller cannot help but compare this credit risk with that of a publicly owned enterprise where a loan would be virtually free from risk because the government would not desire any publicly owned business to show loss and therefore would prevent it showing loss either by allowing it to increase its prices or by relieving it of some of its costs. . . .

● So what? We have a doubtful, harassed, rather hopeless borrower who borrows only because the alternative is intolerable, and we have a timid, fearful, unsympathetic civil servant as credit controller, quite probably harassed by the fear that his borrower may not be able to carry on his business successfully and, moreover, may not be left in business long enough to pay off the loan. The controller may even have a list of the proscribed businesses and may know that the borrower's business is due to be taken over at no distant date.

● Therefore, even if our borrower obtains credit at the outset, he will have little reason to feel comfortable about the future. He can hardly have a hope that he will be allowed to carry on and strengthen his position sufficiently to meet the ordinary hazards which business men must face. One might say that at best he will be given just enough credit to keep his head comfortably not above but *below* water.

J. M. MACDONNELL,
PRESIDENT

TAXATION

THERE appears to be to-day some misunderstanding or misconception relating to trust companies in Canada and the part they play in the economy of the country. In the minds of some people they seem to be associated with "trusts," the term usually applied to big business combinations exercising in various degrees some form of monopolistic power or control over labour, output and prices. . . . This type of organization, usually referred to as "trusts" in the United States, is known as "syndicates" in Great Britain and "cartels" in Germany. That is apparently the origin of the word "trusts" used in that sense, but when so applied to trust companies it is not only ridiculous but misleading.

● A trust company certainly has no monopoly of trust business, as no one is obliged to use its services and a private individual can be vested with all the powers of a corporate trustee. Neither has it much control over the fixing of fees. In the case of estates, which usually represent the bulk of its business, the fees are fixed in exactly the same manner as those of a private trustee, that is, by a Judge of the Surrogate Court. There is no discrimination in the acceptance of business nor in the extent of the services rendered. Trust company services are available to everyone in the community whether his means are small or large. An analysis of the past five years of our new estates, trusts and agencies shows that over half of them (52% to be exact) are under $25,000; 77% under $75,000; 88% under $150,000, leaving only 12% over $150,000. In the new business received during 1943, there was a decided increase in the number of small estates, the comparable figures with our five-year average being 59% of estates under $25,000 and 91% under $150,000. . . .

● In referring to succession duties there is a tendency to consider only those imposed by the Dominion and by the Province. While these are usually greatest in amount, it should not be forgotten that in many estates, particularly those holding a diversified list of stocks and bonds, the question of succession duties or inheritance taxes imposed by other jurisdictions will have to be dealt with. These may be imposed by other provinces, by the United States Federal Government or by any of the States of the Union. Instead of the situation regarding multiplicity of death duties becoming simplified, there seems to be a growing uncertainty as to what asset is or is not taxable outside the province of domicile. These remarks are made to indicate how important it is that each individual should have his holdings of stocks and bonds carefully reviewed by someone having actual experience so that the danger of multiple taxation may be reduced to the minimum. Even if the amount of taxes involved is not large, waivers must in many cases be secured from a number of jurisdictions and this means expense, delay and possibly the loss of an opportunity to sell while market prices are favourable.

● We understand that conferences have been under way for some time between Canada and the United States, with a view to arriving at some basis for a reciprocal arrangement to avoid double succession duties and inheritance taxes between the two countries. This news is most opportune, as the matter of double taxation is rather a live topic at the present time, and several startling examples recently published in the press of both the United States and Canada seem to have dramatized the iniquity of double taxation and the hardships involved. "Barron's Weekly" of December 13th last, under the heading of "Stiff Inheritance Taxes in Canada," published a letter from the Attorney of a resident of Connecticut, who died leaving $26,521.05 on deposit with the Royal Bank, Toronto. While the estate was a large one, the bank deposit was the only property in Canada. The succession duties in Canada on this asset amounted to—Dominion $3,057.55 and Province of Ontario $10,951.54, a total of $14,009.09. The Will had to be probated in Ontario and the cost of this was $1,050, so that $15,059.09 of the bank deposit stayed in Canada and $11,461.96 staggered back to Connecticut, rather dazed after a short visit with a friendly neighbour.

● The United States Federal and Connecticut taxes have still to be paid. We estimate these to be as follows: U.S. Federal $12,995.31, State of Connecticut $1,745.79, Total $14,741.10.

● The combined operations of Canada and the United States will not only completely wipe out the original bank account of $26,000 but there will still have to be paid out of the estate a further sum of approximately $2,000. If a little levity is allowed at a shareholders' meeting, I think it must be said that in these days of multiple taxation the person who lays a golden egg really is a goose. It is difficult to understand that this financial gouging of estates should be allowed to go on, especially between two countries such good neighbours and so friendly as the United States and Canada.

● I wish to make it perfectly clear that there is really no difference in the policy or attitudes of the two Governments in respect of matters involving double taxation. In reverse situations the United States taxing authorities, who of course must apply the law as it stands, would be equally harsh on Canadian heirs. I would also like to say that while the illustration given is that of a large estate, the burden of double taxation is by no means altogether borne by the well-to-do. The estates most generally affected are those of small or medium size.

W. M. O'CONNOR,
GENERAL MANAGER

NT

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FROM THE EDITOR'S CHAIR

Canada's "Friends of Hansard" Society Invites Support

By B. K. SANDWELL

THERE exists in Great Britain a society known as "The Friends of Hansard", of which the founder and Honorary Director is Commander Stephen King-Hall, M.P., the author of the British Letter which appears weekly in the columns of SATURDAY NIGHT. This society was organized by Commander King-Hall as the result of his discovery that a great number of people in Great Britain, even among those who are very active in public affairs, had very little knowledge of the actual proceedings in Parliament of which Hansard is the record.

It is the belief of the editor of SATURDAY NIGHT that a precisely corresponding situation exists among intelligent and public-spirited Canadians in regard to the proceedings of the Canadian House of Commons. And whatever may have been the extent of the knowledge of Canadians about the utterances of their legislators in the spacious days before the war, it is certainly much less adequate now than it was then, for the very compelling reason that the daily press has less newsprint at its disposal and enormously more news to print upon it, much of it of the most urgent and attention-compelling character. The amount of space which can be devoted to parliamentary proceedings is therefore more limited than ever, and in this year of grace 1944 it is extremely improbable that any part of the debates except the most significant paragraphs of the speeches of Ministers and party leaders will ever reach the public through the news columns.

One of the unfortunate results of this situation is a great and growing under-valuation of the importance of parliamentary debate, by the public at large. Admittedly there is a great deal of waste time in Parliament, and therefore of waste space in Hansard. On the other hand there is also a great deal of very well-informed and weighty discussion of important questions. But even if the discussion in Parliament were on a much lower level than it really is, it would still be important that the Canadian people should have a fairly good knowledge of what is said; for Parliament is the one forum in the country in which the actions and policy of the Government are discussed from all angles by men who have the right and responsibility to discuss them because they have been elected by the voters of Canada for that purpose. Inattention by Canadians to the proceedings of their Parliament immensely strengthens the tendency for power to be absorbed into the hands of the Cabinet.

Aim is 500 Members

It has therefore seemed desirable to form a Canadian analogue to the British society just referred to, under the name of "The Canadian Friends of Hansard", and the editor of SATURDAY NIGHT has undertaken to act as Honorary Director until such time as the membership of the society shall have reached the number of 500. Approaches were made during the last few months to some twenty prominent citizens in various parts of Canada, and a favorable response has been received in almost all cases. One of the first to express approval was the late John W. Dafoe, in one of the last letters to be written by his pen. Others who have given the proposal their endorsement are the following:

Hon. and Rev. Henry J. Cody, M.A., D.D., LL.D., President of the University of Toronto.

Dr. Charles W. Colby, M.A., Ph.D., D.C.L., LL.D., President of Northern Securities Ltd. of Montreal, Que.

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Donald I. McLeod, B.A., senior member of McLeod, Young, Weir & Co. Ltd., Toronto, President of the Investors' Corporation Ltd.

Dr. Frederic W. Patterson, D.D., LL.D., President of Acadia University, Wolfville, N.S.

Dr. Sidney E. Smith, K.C., B.A., M.A., LL.B., LL.D., D.C.L., President of the University of Manitoba, Winnipeg, Man.

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Dr. Robert Charles Wallace, M.A., Ph.D., D.Sc., LL.D., F.G.S., Principal of Queen's University, Kingston, Ont.

The British society aims at a membership of 1000 at a minimum single (not annual) subscription of £1. It has seemed to those who have been approached on the subject that in Canada with its smaller population the work could be adequately done with a membership of 500 at a minimum single subscription of $2.50. The rules of the society have been taken from those of its British counterpart, with only the necessary changes to adapt them to this country. The editor of SATURDAY NIGHT will be glad to hear from any person desirous of supporting the work of the society.

Rules

(1) The Canadian Friends of Hansard shall consist of a body of persons united in the resolve to take such action as may be expedient to increase the circulation and study of the Hansard of the Canadian House of Commons, in order that a large number of persons in Canada, the Empire, the U.S.A. and foreign countries may become acquainted with and interested in the proceedings of Parliament and thus be better informed about the day-to-day workings of the democratic method as exemplified by the proceedings of Parliament.

(2) The Qualifications necessary in order to be enrolled as a Friend of Hansard are: (a) Approval of and sympathy with the aims and object of the Friends of Hansard. (b) A single subscription of $2.50 to the funds of the Friends of Hansard. This single subscription covers all membership dues. There is no annual subscription.

(3) The officers of the Friends of Hansard shall consist of: The Honorary Director, the Honorary Treasurer and the Honorary Secretary.

Operations

(1) The society shall be non-profit making.

(2) The funds derived from the donations of Friends shall be exclusively devoted to the expenses of conducting a continuous campaign for the publicizing of Hansard, including the necessary office expenses for this work.

(3) Experience will no doubt indicate many methods of increasing public interest in Hansard, but the following methods will be tried at the outset:

(a) Interviews with editors and publicists in order to obtain editorial support.

(b) Questions in the House of Commons.

(c) Canvassing large firms, clubs, libraries and individuals in order to persuade them to become Friends of Hansard and subscribe to the publication.

(d) Advertisements in the press, drawing attention to the merits and contents of Hansard and to the fact that it is on sale to the public.

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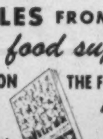

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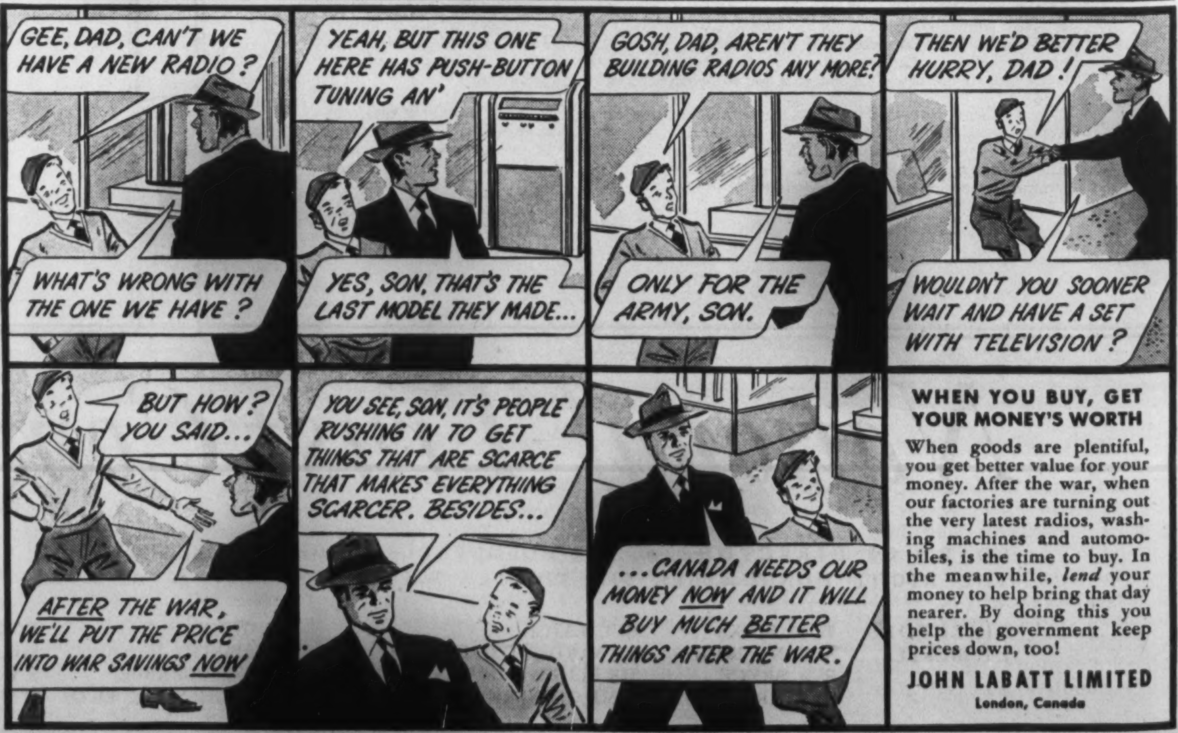
ISN'T IT THE TRUTH? By Ti-Jos



GEE, DAD, CAN'T WE HAVE A NEW RADIO?
WHAT'S WRONG WITH THE ONE WE HAVE?
YEAH, BUT THIS ONE HERE HAS PUSH-BUTTON TUNING AN'
YES, SON, THAT'S THE LAST MODEL THEY MADE...
GOSH, DAD, AREN'T THEY BUILDING RADIOS ANY MORE?
ONLY FOR THE ARMY, SON.
THEN WE'D BETTER HURRY, DAD!
WOULDN'T YOU SOONER WAIT AND HAVE A SET WITH TELEVISION?
BUT HOW? YOU SAID...
AFTER THE WAR, WE'LL PUT THE PRICE INTO WAR SAVINGS NOW
YOU SEE, SON, IT'S PEOPLE RUSHING IN TO GET THINGS THAT ARE SCARCE THAT MAKES EVERYTHING SCARCER. BESIDES...
...CANADA NEEDS OUR MONEY NOW AND IT WILL BUY MUCH BETTER THINGS AFTER THE WAR.

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London, Canada

THE OTTAWA LETTER

Canada's New Deal Puts All The Other New Deals in the Shade

By G. C. WHITTAKER

A BROAD new deal for all Canadians in a brave new post-war world. That is what Mr. King promises to provide in this session's parliamentary program. It's a program beside which Mr. Roosevelt's late New Deal in the United States seems amateurish, unorganized, timid. It out-distances the Atlantic Charter. It creates a model of national and social economy that will focus the attention of most of the United Nations on Canada, for none of them, not even Britain or the United States, has made an approach to anything like it.

It is revolutionary without being destructive. It gives to Canadians just about everything they could think of wanting without taking away anything they have. It goes far to the moderate left, not too far from the moderate right. It introduces the benefits of socialism but preserves and even bolsters and protects capitalism. It assures to this people enjoyment of the gifts of the liberty and democracy for which they are fighting and sacrificing. It pulls back the curtains on the dawn of the era of the common man.

It distributes largess to men and women of the fighting services, to business, to labor, to farmers, to white-collar middle classes, to everybody. It ensures business for business men, work for workers, rewards for all productive or useful effort, economic protection from birth to death for all and for dependents after death.

King Chances Improved

It leaves Mr. Bracken with little timber out of which to erect an election platform for his Progressive Conservative party, makes Mr. Coldwell's already erected CCF platform look like rather a long-shot gamble, immeasurably improves Mr. King's prospects of extending the tenure of his premiership through an election this year.

Can Canada afford it?

Provision more comprehensive than anything devised by any other country has already been made for those of both sexes serving in the armed services. It includes demobilization allowances, civilian clothing allowances, technical and other educational training, reinstatement in pre-war jobs where possible, and where this is not possible, assurance of other employment, assistance in land settlement, other benefits. To these are to be added, under this new program, extensions to the rehabilitation provisions and war service gratuities. To promote effective operation of the whole plan there is to be a new Department of Veterans' Affairs.

No less are those who have been carrying on the war effort on the home front taken care of. All the organized elements have long since made known their desires and what they consider their needs and just dues. They get all or much of what they asked for or something corresponding to it.

Business Gets Relief

Business gets first of all some relief from current wartime taxation. On top of that it gets capital credit assistance for reconversion, for expansion and the development of new industrial enterprises to enable it to exploit to the utmost the opportunities for post-war trade—all this through a new Industrial Development Bank to be established by the government under the Bank of Canada. Divisions of business normally engaging in export trade or capable of engaging in it are to have export credits from a paternal government that sees in such export trade a major factor in the realization of its first peacetime objective, full employment—which credits incidentally might come in handy should international negotiations, especially among Britain and the United States and Canada, looking to rationalization of world trade fall through and one or more of Canada's competitors seek advantages through some form of export subsidies.

To smooth the way to world markets the trade commissioner service is being expanded. Business had asked for this through Canadian Manufacturers' Association and Canadian Chamber of Commerce. It had asked for a separate Department of Reconstruction to grade the curves on the road back. It gets that too.

Organized labor wanted among other things provision for the living requirements of families of low-wage workers. Chairman McTague of National War Labor Board recommended that such provision should be made either through removal of the ceiling from low-level wages or, if this conflicted with wartime economic policy, through family allowances for dependent children. This provision is now to be made through the family allowance method. The benefits are not restricted to labor but accrue to all low income classes. Presumably everybody will share in them, but for heads of families paying income tax they will be offset by loss of tax deductions for children and the relief will actually go to those who are most likely to need it.

Farm Price Floor

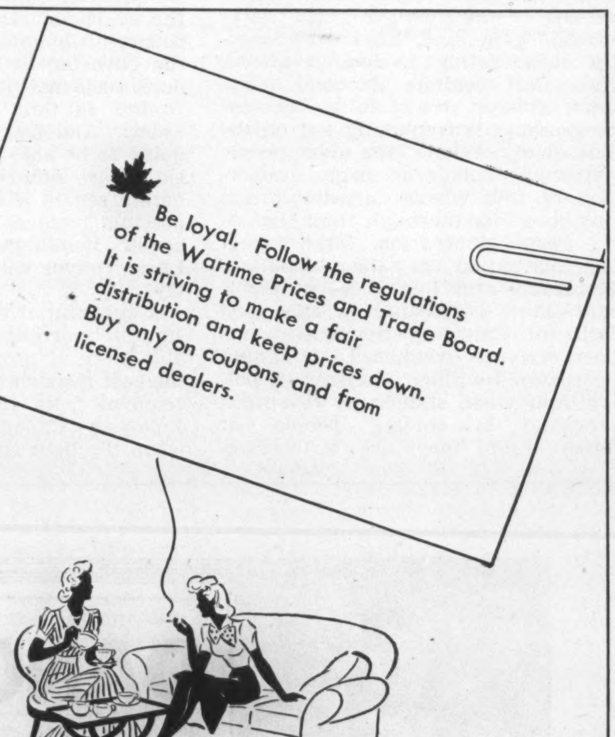
Farmers have been asking for parity between prices they get for what they sell and prices they pay for what they buy. A substantial approach to this is assured in the promised legislation to place a price floor under staple farm products.

The great unorganized residue of the people have not audibly or at any rate aggressively asked for anything, but they have had yearnings, and a feeling, many of them, that democracy was not doing all it should for them. Mr. Coldwell and his party have been profiting politically by these yearnings and this feeling, have cherished the hope of profiting more by exploitating them. Now Mr. King is going to make democracy function. The yearnings of the silent middle-classes are to be satisfied on a fairly wide scale through other social security measures in addition to the family allowances, including health insurance on a nationwide basis, larger old age pensions on the same basis, a national housing plan.

And for all, regardless of occupational, economic or social classification, there is that overriding guarantee of full employment.

Some there are who fancy the banquet leaves a little bitter taste. The impression comes from their reading of the emphatic but somewhat ambiguous reference in the Speech from the Throne to the need for maintaining price and wage controls against inflation. They are not too sure that this reference is not intended to extend beyond the end of the war—think it might imply a further counter to the CCF proposition that industry should be socialized for the protection of the common people, that Mr. King may mean that the alternative to socialization is state control. We know of nothing to confirm this suspicion, and we do happen to know that the boss controllers figure their jobs will be over at the end of the war. The government may not, of course, have taken them into its confidence.

There is another spot of emphasis in the program which gives greater justification for uneasiness among some business elements. It is that which is placed on the need for large imports to raise the standard of living. It gives a point to the post-war trade and tariff policies of the administration.



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IN FRIENDLY OLD QUEBEC

The Problem of Japanese Canadians, and Solution

By NORMAN FERGUS BLACK

Distribution of Japanese Canadians more evenly throughout the territory of Canada is necessary to the solution of the racial problem. It cannot be effected without fair treatment of these people in the matter of expropriated property, and some provision of capital for the establishment of non-property-owners in new homes.

The hysterical animosity shown in some quarters arises from libellous stories of sabotage by Japanese in the U.S. and Canada which have been flatly contradicted by the authorities of both countries.

The author is a resident of Vancouver.

THERE is cause for deep concern in an apparent Canadian tendency to antipathies based upon differences in ancestral stocks. At present those suffering most from national or racial prejudice are our Canadian residents of Japanese ancestry. Of course we are at war with Japan. But we are also at war with Germany and, until recently, we have been at war with Italy; nevertheless we have treated German and Italian Canadians, and even German and Italian nationals, with considerable magnanimity. However one recognizes something horribly suggestive of European fascism in the widespread hysterical animosity toward Japanese Canadians and Japanese nationals resident in Canada.

In relation to these people there is clamor for public policies based upon racial hatred. Such passions do not require factual data to feed upon and are notoriously difficult to keep within bounds. Today the victims are our Japanese; tomorrow they are likely to include our Jews; the day after tomorrow, whom?

The Japs in B.C.

Admittedly, the Japanese community in British Columbia involved us in puzzling problems. Indeed, for a generation British Columbia, sometimes by methods the wisdom of which is open to question, has been vainly trying to awaken eastern Canada to recognition of those problems. They had their genesis in Canadian laws and policies relative to immigration and naturalization and in other circumstances beyond British Columbian control. The overwhelming majority of Canada's Oriental immigrants were settling in a province the total population of which is comparable to that of Toronto. They were not numerous in relation to the population of Canada—of which they constituted only about one-fifth of one per cent—but they were embarrassingly numerous in relation to that of British Columbia. They provided an example of the familiar evils of undue geographical and occupational concentration on the part of an immigrant minority.

The rational cure for undue geographical and occupational concentration is geographical and occupational dispersion.

The federal authorities recognize this manifest truism and are trying to turn current evils to advantage by distributing across Canada those of our Japanese residents whose law-abiding habits and loyalty to Canada are not subject to doubt in official quarters. In this policy many of the second generation Japanese Canadians, and some even of the first generation, see their best hope for the future.

When the war with Nippon broke out, some 21,349 persons of Japanese ancestry were living in coastal British Columbia; about 1,200 elsewhere in the same province; some 600 in Alberta; and approximately 370 in the rest of Canada.

At the end of October 1943 they were distributed substantially as follows: 3,453 in Alberta; 159 in Saskatchewan; 1,120 in Manitoba; about 2,247 (inclusive of all internees, who were 446 in number) in Ontario; about 270 in Quebec; one in the Maritime Provinces and 29 in Yukon Territory; and the balance, about 16,269 in British Columbia. Of the 21,349 expelled from the defence zone, somewhat over 29% had moved east. Recently the Selective Service authorities have been taking a hand in the game and several scores of Japanese resident in British Columbia have been ordered east to jobs of higher priority rating; but it is to be remembered that most of the able-bodied Japanese still in the Pacific province are already engaged in occupations with high priorities,—cutting badly needed fuel for example.

It is evident that present policies are not very rapidly effecting such distribution of residents of Japanese stock as is desirable in their own interests and in the interests of Canada.

The Security Commission

The fault does not lie with the B.C. Security Commission. Its attitude and services deserve public gratitude. That it has made mistakes, nobody denies; but the real reason for its failure to bring about any large scale dispersion of our Japanese residents lies in the fact that it has been assigned a task which, under present public policies of provincial and federal authorities, is and must remain impossible.

That those authorities realize these facts can scarcely be doubted. Apparently, however, they do not think that public opinion is sufficiently well-informed to endorse the policies for which the circumstances obviously call.

The difficulties of the situation have been augmented by the deliberate dissemination of all manner of groundless accusations and misinformation.

One still hears it alleged that wholesale sabotage and fifth column activities on the part of Japanese Americans in Hawaii show that these are people who do not deserve confidence. The reply is obvious. In the first place, there is something the matter with the ethics and logic of those who insist upon punishing innocent people in this country on account of offenses committed by other people, in another country. In the second place, the alleged criminal treachery did not occur. Mr. Stimson, the American Secretary for War, has officially declared that "the War Department has received no information of sabotage committed by Japanese during the attack upon Pearl Harbor": and Mr. John Edgar Hoover, Director of the Federal Bureau of Investigation, reported in terms still more emphatic and sweeping: "There was no sabotage committed prior to December 7, on December 7, or subsequent to that date." The evidence of Mr. Knox and a multitude of responsible local observers is unanimously to the same effect.

In every unselected group of sufficient size one may reasonably expect that there will be people of all sorts. People as people are very much like other people.

East Need Not Fear

Easterners into whose communities a handful of these luckless refugees are admitted need have no fear of any resultant deterioration of average standards in such matters as respect for law, the ethics of day-by-day relationships among neighbors, good manners, industry and the love of soap and water. Evil consequences need be feared only if the local community takes the arrival of the newcomers as a signal for an emotional debauch and the release of hateful passions previously held in restraint.

The suggestion that young people of Japanese stock, educated in Canadian schools and universities, are incapable of appreciating or sharing in occidental culture, or of being inspired with patriotic affection for this land of their birth, is a wicked or ignorant falsehood. I have had abundant opportunity for personal observation of the reaction of children of Japanese parentage to Canadianizing educational influences, and my judgments in that regard are supported by many others who have had intimate contacts with second generation Japanese Canadians. I am personally acquainted with numerous representatives of this group who are as thoroughly and as obviously Canadian in outlook as anyone in this Dominion. Many of them are at present eating their hearts out because precluded from service in the armed forces of Canada.

The Canadian authorities, civil and military, have been emphatic in their repeated statements that the evacuation of coastal Japanese was not motivated by any misconduct on their part and involved no reflection upon the loyalty of more than a small minority; and these there has been ample opportunity to segregate and intern for the duration.

If for military reasons involving the general security of Canada it had been necessary to evacuate Whites from any region in which they were resident, the evacuees would no doubt have been handsomely compensated; but these unfortunate people were of a different complexion, and their economic ruin, incidental to enforced migration, sits very lightly upon the conscience of Canada.

However, it is costing Canada lots of money, and to what sums the maintenance of great racial ghettos and the perfectly legitimate and inevitable expenses of futile relocation policies may rise before peace is restored, nobody knows.

Perhaps we might expend this money to better advantage.

The movement from concentration settlements to employment in the East is continuous but desperately slow. In general the more enterprising of the younger people have already gone, and this means steadily deteriorating leadership among those left behind. Parental influence, always strong in a Japanese community, is frequently not on the side of dispersion. The older people naturally include a larger proportion of folk whose Canadianization has been less thorough than that of the second generation. They resent the disruption of their families. Moreover—and this is very important—their confidence in the good faith of Canadian authorities has been seriously weakened. It cannot be restored without changes in policy. And when sixteen or seventeen thousand law-abiding people sit down tight, they are not easily moved, unless even the mere semblance of democratic procedure be abandoned.

Only one solution seems practicable.

All Japanese property the transfer of which seems necessary in the public interest should be expropriated at a fair price, not peddled to private buyers who look upon the Tenth Commandment as suspended "for the duration." In cases where government purchase does not provide the capital necessary for reestablishment, this Dominion must recognize its moral obligations: it must, if necessary, advance the first payments on the purchase of new homes and of such equipment as may be essential for self-support. The dispersion at which the governmental authorities are aiming must be made not only economically possible but economically attractive.

Pay Us Dividends

The policy here advocated as just and necessary to achieve the geographical and occupational dispersion of our Japanese Canadians is one that will pay us big dividends, irrespective of what procedures may be adopted after the war is over. All *disaffected* persons of Japanese origin should of course be sent back to Japan, together with any others of their stock who may go voluntarily. Few will so choose. They are having a hard time of it, but most of them have lived too long in a democracy ever to go back to such a state as Japan. Many of them know that in that land they would be more truly foreigners than here in Canada.

Few people in Canada think that it would be in the interests of any of the parties concerned to have the Japanese formerly resident in coastal British Columbia return *en masse*, though British Columbia can and should take care of its fair share of the evacuees. How in a democratic country it is going to be possible for the government to dictate to individual residents just where they are to live in time of peace, I do not know. And just in case we are not going to be able to liquidate them by exile or otherwise, Canada had better see to it that at the earliest possible moment they are helped to acquire homes so chosen that no new Little Tokyos will arise in this country.

A substantial equity in and a substantial mortgage on a really desirable piece of property would provide the best insurance against premature removal from the place where the Japanese Canadian finds himself when the bells ring for peace.

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THE HITLER WAR

Straphanging and Chain-Smoking on an Atlantic Troopship

By WILLSON WOODSIDE

(This is the first of the series of cables to be sent by Willson Woodside from overseas. At the time of going to press Mr. Woodside had just arrived on the other side, and was unable to forward his usual comment on the war situation. This, however, will be a regular feature of future issues in addition to his observations on conditions in England and the invasion preparations. Mr. Woodside is being heard regularly from England on the CBC News Roundup, at 7.45 p.m., E.D.T.

SOME weeks ago a correspondent cabled that a flood of American troops were "straphanging across the Atlantic". I have just crossed on a troop ship and while I cannot give any ordinary details of the voyage such as the name and size of the ship and where it sailed from I think that there is an interesting story to be told of life aboard such a troop ship.

As my taxi drew up under the bow of the great ship lined with troops I felt that this was the proper way for a newsman to go to the front instead of the ease and speed of a bomber passage. Yet when I climbed the gangway and pushed through the mass of soldiers, men who were going to do the fighting and risk their lives, my civilian capacity was forced on me strongly and I felt insignificant and unworthy. They looked rather glum as though caught in a giant machine, though the fact that they had been aboard one to two days probably had something to do with this. When the ship began to move they brightened noticeably.

Inside the swarming crowds in alleyways and on the stairs were up to expectations but I was pleasantly surprised on reaching the cabin to find only six bunks instead of sixteen for which I was prepared.

Cabins Unchanged

How is a big liner converted to a troop ship? Our cabin had been a small twin bedder in the first class. Only the beds had been removed, and narrow double tier steel bunks erected midst the mirrors, built-in vanity, etc., which all remained intact from luxury days, though more scarred with every voyage—which probably accounted for the sad mien of the stewards. The bathroom was left unchanged except that there was no running fresh water. You can't have hundreds of troops and officers turning on fresh water taps at will.

Exploring down the passageway I found junior officers bunked in tiers of three while the troops were packed still more tightly in cabins and public rooms converted to bunkhouses, with many sleeping on the hard board of the promenade deck. The former cocktail lounge now slept troops, a fact which appealed to a teetotaler in our small party, while the smoking room had become a well equipped hospital.

Going below I found a spacious and elaborate first class dining salon turned into a messhall for troops while the officers retained a modest tourist dining room. At this point my exploration was interrupted by a warning on the loud speaker system that boat drill would be held immediately, whereupon I was caught in a thundering tide on the stairways and carried upwards to the boat deck where I had the pleasant surprise of meeting a group of Canadian fliers including an old college chum.

These boys of ours stood out as so smart and clean cut that one felt very proud of them. Their presence however was only incidental and the ship though operated by the British was run as virtually an American military camp.

American military police were everywhere. At first I thought this might be in anticipation of trouble between colored and white troops but it was soon clear that the main job was traffic control. The ship could carry so many times more than designed for only by the most elaborate traffic control.

In the beginning when military police were as green to the ship as the men I wondered if the stairways could be made to handle the traffic. There was incessant pounding up and down them, and to climb or descend three flights was something of an ordeal. But gradually the tramping changed from something like the stamping of a herd to the ordered beat of the army as traffic was severely regulated to keep to the right as on a busy Canadian highway.

This question of the stairways fascinated me. They were obviously the controlling factor in the whole use of the ship. Great numbers of soldiers had to be got to the messhall, fairly deep in the ship, and then got back to their quarters again before the next batch went down. Perhaps if I add that it took five sittings to feed all the personnel each meal and that by the most exacting calculations only two meals could be served between six in the morning and seven at night this will be better appreciated.

2 Meals a Day

Officers, nurses and the few dozen civilians also received only two meals a day, separated by a gap of ten hours, but all took this cheerfully. To maintain life in between, the canteen sold biscuits and chocolate. I don't think I will ever again willingly eat social tea biscuits or "Oriental sweet chocolate"! Canteen prices, however, were fantastically low. Cigarettes, for example, were fifty cents a carton of two hundred which only meant that everyone chainsmoked his way across the ocean. I doubt if more than two or three in a hundred were nonsmokers. All were nondrinkers by compulsion, though, as no liquor was sold on board. The strongest drink to be bought was coca cola which seems to have become the national drink of Americans as sweetened mares' milk is of the Moors.

I now have my story halfway across the Atlantic while the boat still is at the pier.

When we pulled out and the troops were allowed on deck to watch familiar landmarks disappear I struck up conversation with a number of them. Most of them were from inland states and never had seen the sea before or been on a big liner. When they spoke of that a twinkle of interest lit up their eyes still watching their homeland fade away.

Picture Boner

When land had finally disappeared attention turned in other directions and the possibility of U-boat attack became the uppermost consideration—though what impressed one boy near me was "Well, at last I've seen something bigger than Texas." One officer told me he had come across a colored soldier sitting in the corner of the deck crying, and when asked what was the matter he had said, "Sir, I'se scared."

The officer might have replied that this boat had been running across here a long time and had never lost anyone yet. The situation was scarcely helped by the curious choice of the trip's first film, which showed the British submarine service and how neatly a Captain put five torpedoes into a big German target. Personally I found the film excellent and enjoyed it, but the almost universal comment left no doubt that a prize boner had been pulled.

I can only remember one crossing of the Atlantic in seventeen which could really be called smooth. That was not this one. The ship rolled almost the whole voyage, so violently at times as to add new complications to life aboard.

In the morning ever-bawling loudspeakers informed the troops that no coffee could be served and that they should only stop in the mess hall long enough to make a bacon and egg sandwich. A sandwich was all they got again that evening though this time they managed coffee.

I doubt if a scene in the officers' mess hall at breakfast one morning will ever be adequately described. A quantity of water which had come down the rear companion way created with the violent rolling a fantastic situation which fortunately did not pass comic proportions. In the officers' combined lounge, meeting hall and movie theatre it became impossible to keep the chairs upright after one or two mass spills. So the chairs were stacked at one end and everyone sat about on the carpet for that day and the next. It was something to see an English lord sitting on the floor propped against the pillar reading a book oblivious to circumstances and to American lieutenants clustered close around playing bridge and poker!

Later the weather fortunately abated sufficiently to show "Pride and Prejudice" with Greer Garson, which was more appreciated than the first choice of picture. Among the devices for whiling away the tedium of the overcrowded voyage was the observation of sex on a troop ship. There was, I suppose, about one nurse to every dozen or so officers and by the third day out most were paired off. But there was no opportunity here as in peace-time for flirting in a secluded corner of the lounge or cocktail bar, or stealing kisses on the boat deck. The lounge was absolutely jammed, so that it seemed sometimes there was not room for another chair, or for another person. No one was allowed out on open deck after blackout time and the dimly blue lit promenade deck was half filled with sleeping forms, while shadowy figures walked steadily back and forth in the remaining open space. The alleyways throughout the ship were filled with constant traffic. Apparently there was not the tiniest secluded corner on board ship. So the furthest these romances got was hand-holding and knee-patting.

Anyway how could anyone develop any real feeling of romance with the loud speakers sure to bleat out at the most wrong moment "Attention all troops and personnel. XYZ will return to its quarters immediately and remain there. Repeat XYZ . ." Or speakers would blare forth a worn recording of the "Cookhouse Door" call with the command: "Number three sitting fall in for mess, third sitting fall in for mess!"

So it went from early morning to late at night, not only for general instructions but whenever lieutenant so and so or sergeant what's-his-name was wanted at the orderly room. When it really became bad was when one of these messages would be superimposed on the BBC news so that neither was the least bit intelligible. The BBC news was the only one ever put on the speakers and that only once or twice daily. I overheard many Americans saying they couldn't understand it; no doubt they would have appreciated Lowell Thomas.

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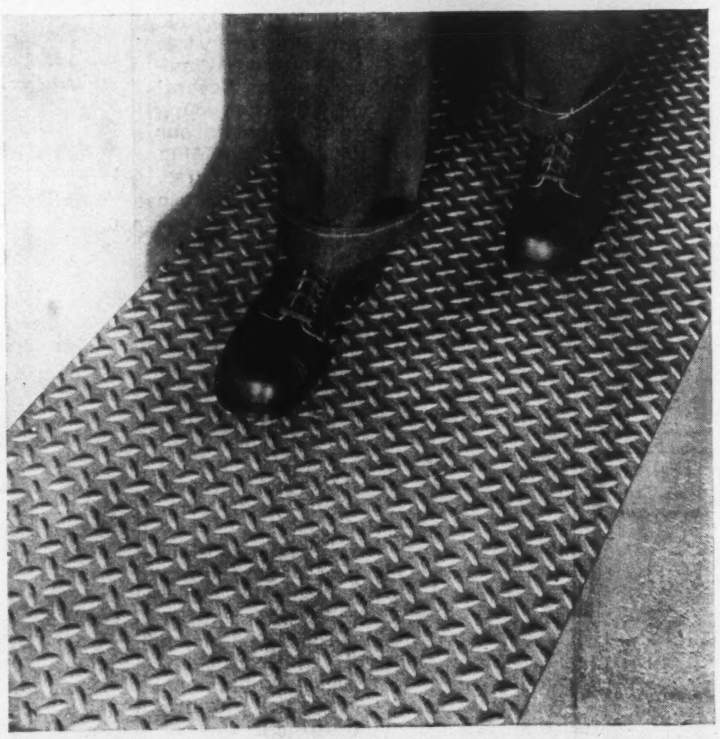

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Community Theatre to Canadian Theatre

By JOHN HOARE

John Hoare is a veteran worker for the Canadian Theatre. It is thirty-two years since the "University Magazine" published his "Plea for a Canadian Theatre", which led the late Sir Andrew Macphail and the late David Walker of Montreal to bring out the then famous Horniman Repertory Company to play Canada in two successive winters.

After the war he joined the committee of the Community Players of Montreal for several years. After some time spent in Europe he came back to Canada and is now Manager of the Montreal Repertory Theatre.

WHAT is the most practical form for our Canadian theatre of tomorrow? What organization is best suited to living theatre in that post-war world towards which we are all marching, whether in or out of step, at the orders of Sergeant Time?

Sergeant Time is marching us fast these days, faster than a year ago, faster than six months ago. That is why, so far from being premature, it is urgent for all of us who are intelligently interested in our community life, to consider the rightful place and value of living theatre.

A man must work where he lives. And the Montreal Repertory Theatre for which I work demands almost all my energy and time. Under the instructions of our Board of Management we are putting through a reorganization as part of our post-war planning. And that comes first.

But our interest is broader than that. We intend, rightly and properly, to achieve in time a first-class non-professional theatre; but we also wish to play our part in the world of the four freedoms, to take our place in the pattern of things to come. And the pattern of theatre could extend across our country from coast to coast, breaking down those interprovincial barriers.

MRT is the flag our theatre has flown for fourteen years, come rain or shine. It is fourteen years since Martha Allan founded her theatre. It is nearly two years since she died, leaving to others the privilege and responsibility of carrying on.

Theatre, like everything else in life, must grow, must advance with the times, must keep its thinking up to date. Otherwise it will inevitably die of dry-rot and inanition. New ideas, new ideals, new blood must be forthcoming; old principles adapted to meet new conditions.

Ravages of war had been serious. Before this season opened we had no back-stage crew at all. Furthermore we needed a full electrical crew to give equipment and layout a thorough overhauling. We needed a new crew for scenic construction. And actors and actresses. Props, costumes, Front of the House, everyone needed help. Something had to be done about it, and done quickly. So we flung our doors wide open through the public press, which has been a grand friend to us at MRT. What happened then?

Eager Volunteers

Day after day, evening after evening, through September and October, men and women came to offer their spare-time services. Men and women engaged in every branch of war work, munitions, engineering, physics, drafting, machine-tools, C.I.L., D.I.L.—men and women who are working all day-time for the war, and half night-time for the peace—in our community theatre.

Where do they all come from, these fifty, sixty new faces? Let me think. There are three from Vancouver, two or three from Saskatoon and Winnipeg. Two from London, Ont. Several from Toronto, one an able young actor whom we promptly put in our first production, the war play, "Men in Shadow". There are, of course, many native Montrealers. Some come from the Maritimes. I particularly have in mind a valuable young couple, both graduates of New Brunswick University. Newfoundland? Yes, one, a scenic man. And several from Europe. A professional actress from London. A scenic designer from Cambridge. A Director from Geneva. An actor from Prague. An ex-professional from the States. Today, as I write, I have just been rung up and told of a well-known Russian scenic designer who wishes to get in touch with us at our community theatre.

War, you see, is one vast explosion. It tosses so many people into the air, dropping them in such unexpected places. Myself it threw sky-high from being a playwright in London to MRT in Montreal. And here I am, following the thousand-year-old British principle of taking all the brains that come to you through war or persecution, provided their owners are ready to offer cooperation.

Many-Mouthed Giant

For Theatre is a many-mouthed giant. Painters, musicians, carpenters, electricians, actors, actresses, directors, designers, costumiers, publicity-merchants, playwrights, play-readers, box-office folk; Theatre swallows them all and digests them in its manifold departments, each where his or her competence and cooperation may be put to the happiest use.

Many of our new-comers are students. We have no school of the theatre proper this year for lack of space and time. Our *MRT Tin Hats* troop show has been playing to the services since November 1939. It has played to nearly 200,000 men—for nothing. It has played from Petawawa to the Maritimes—for nothing. And the Tin Hats require both time and space for ceaseless rehearsals. So, instead of the school of the theatre, we have initiated student-apprentice groups in all back-stage departments. In our stage crew is a young man studying to become a playwright. I read a play of his last spring. It showed both promise and lack of practical experience. A playwright must know his theatre from back-stage. He is learning that now.

Other men, senior men ranging from an insurance executive to the supervisor of an important department in aviation, are helping us out as stage-hands. All thanks to them!

In our theatre you meet people, young people, lots of them. They can make themselves as happy and dirty as they like in all forms of back-stage work without it costing them a cent! Isn't that nice? Every one of them driving his nail, splashing her paint, making up her prop, co-operating in the big idea of community theatre—of the Canadian theatre of tomorrow.

John Hoare

That is why we of MRT want to be part of something much bigger than ourselves. For in Theatre Canada must become largely self-dependent. Distances from city to city are so great, in cost of transportation if no longer in time, that to me the sole practical solution of our theatre problem at the present time lies in a network of community theatres from coast to coast. Just consider their human value.

Peripatetic Canadians

Canadians are ever on the move. A man's job takes him from Montreal to Vancouver, then to Winnipeg. Every move an uprooting.

Community theatre, each city basing its organization on first principles, could so well take care of that situation. Suppose one of our MRT actors or electricians were sent to another city, I could give him a chit to my side-kick in Saskatoon or Halifax, and the man steps right into community life in a city where, maybe, he scarcely knows a soul. And that should mean quite something to his wife, since her activities would not be localized to the one continuity of his business connections.

Moreover, for the theatre itself, such a process would automatically prevent it from getting into the hands of a village-minded group, a social clique, a political organization. It should make it fanatic-proof, reactionary-proof—and fool-proof.

At MRT we are all doing our very best to build solidly and firmly on a modern democratic foundation, so that, when the post-war testing-time comes, we may not be found susceptible to attack. For this conception of Community theatre is so much more than mere theatre. In it lies so much of interest, of education in the broadest sense, of scope for development through self-expression of many of our fellow-citizens.

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3. They now own policies totalling $759,000,000—an average of $3,286 per policyholder.

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To many policyholders, 1943 brought death, retirement or unexpected emergencies, but through their foresight they had provided for these contingencies. Beneficiaries whose homes were saddened during the year received $4,573,000, while living policyholders received $9,189,000—a total of $13,762,000.

A complete report, showing the strong position of the Company, is available. It gives striking evidence of how men and women in Canada and the United States are making financial provision for their own future security.

The GREAT-WEST LIFE ASSURANCE COMPANY

Wife or Marie Dressler Stringer's Heroine?

By VICTOR LAURISTON

Chatham, Ont., is wondering who are the originals of the characters in the latest novel by its famous son, Arthur Stringer. Many of Stringer's creations are readily identifiable, but the theory that his new heroine was drawn from his first wife seems to lack probability.

WHEN Arthur Stringer's latest novel, "Star in a Mist," appeared a few months ago, old timers in his erstwhile home town of Chatham set themselves straightway to the task of identifying his characters, and especially his stage-struck Una Carberry, the central figure of the story. Ending as a rule with the blunt and perhaps tactless question:

"Is she his first wife?"

Meaning, of course, the glamorous Jobyna Howland, who married Stringer shortly after his first novel, "The Silver Poppy," appeared.

That question may have been prompted by the fact that, twenty-two years ago, folk in the vicinity of Stringer's former summer home at Shadow Lawn on Lake Erie—folk who had seen her in the flesh—identified Torrie Throssel in "The Wine of Life" with the first Mrs. Arthur Stringer, who, like the fictitious Torrie, tried, vainly, to forego and forget a stage career on a Kent fruit farm.

The concluding chapter of "Star in a Mist" is, however, pretty convincing evidence in the negative. The Una Carberry who gave up a hard-won stage career to marry had little in common with Jobyna Howland who gave up marriage to achieve new triumphs on the stage. Except, of course, that both came to their stage triumphs the hard and disillusioning way.

With Jobyna Howland sponged out of the picture, Chatham folk have been driven to canvass the less obvious yet more likely possibilities. For the urge to ask, "Who are the originals?" seems to spring inevitably from the reader's recognition that any worth-while work of fiction must draw its colorful detail from actual life and real people.

Stringer's Tadesco, of course, would seem drawn from David Belasco, the admiration and despair of actors and actresses of a bygone generation; just as his other figures in the later part of the novel may have had their counterparts on Broadway in an earlier era.

To identify Una Carberry, though, one has to con closely the opening chapters of the story: since, for Una, once she says goodbye to Chamboro (Stringer's accepted synonym for Chatham) there is no nostalgic turning back.

The opera house of Stringer's novel might be Scane's Music Hall, later grandiloquently styled the Grand Opera House. Within the last few years this building lost its lofty top story, gained a new white facade, and, converted into apartments, was rechristened the Edelstein Block. Stringer's opera house might, equally well, have been the Bright's Opera House of sixty years ago, the costly pet of an enterprising Chatham druggist. Or, for that matter, it might be any local theatre in any American or Canadian town of Chatham's size—if we could forget Stringer's persistent habit of picking the material for the 'teen-age phase of his fiction folk out of his personal recollections of his native Chatham.

Haystack Drama

In the story, surreptitious visits to the forbidden opera house inspire Una with a yearning for a stage career. She highjacks the boys of Penny Stapler's Baxter Street gang into presenting a drama of her own composition in a certain hay-mow.

Baxter Street, in Chatham, is on the southern fringe of the colorful "East End", and Stringer once made his home there. Stringer writes:

"One happy Saturday afternoon, Una's new play was being enacted in a cavern of gloom sabered by twin blades of sunlight where a million motes danced and gleamed. The sword combat between a burnt-cork Zulu and a missionary clown who was apparelled in red flannel drawers and a polka dot waist and whose maternal amplitude had been capitalized by the insertion of numerous pillows aroused such shrill squeals of delight that they extended to elder ears and sent a hurried message to Stopler's Hardware Store"—with the result that Stopler appeared, buggy-whip in hand, and the actors, including Una, dived from the opposite end of the barn into a cushioning but odorous manure pile.

Stopler's Hardware Store instantly suggests the Chatham hardware firm of Stringer & Stephens—the Stringer being Hugh Arbuthnot Stringer, Arthur's father. The hay-mow is an indubitable replica of one, on Colborne Street, Chatham, owned by Arthur's uncle and Hugh's partner, the late George Stephens, at one time M.P. for West Kent.

Jeanne Gordon

Mrs. Carberry consented to Una's appearance in a Christmas cantata only because the production was sponsored by the Methodist Episcopal church. Una, wearing a cardboard crown covered with gilt paper, gilt-starred white muslin and a gilt paper wand, at last proudly trod the boards—to make the appalling discovery that she had forgotten to take off the rubbers covering her white satin slippers. Like a good trouper, she went on with the show, but afterward "She flung the rubbers through an open window, flung them with a burst of passionate sobs that somehow startled her sister Fairies."

Jeanne Gordon used to confide that identical story to a select few to whom she opened her heart. The incident happened when she was still Ruby Gordon, and came over from Wallaceburg to sing to a Chatham audience for the first time. Years later, after she had sung at the Metropolitan, Jeanne Gordon could tell the tale and laugh; but at the moment it was tragedy.

Jeanne Gordon, though, was a star of the concert and operatic stage rather than the drama, and apart from that one incident, seems to have no affinity with Stringer's Una Carberry.

Harking back to Jobyna Howland, though, leads us, by a roundabout route, to what may be a more authentic clue to the identity of Stringer's stage-struck Una. Just before her marriage to Stringer, Jobyna Howland was in Marie Dressler's company in George Hobart's musical comedy, "Miss Prinnt".

Playful Miss Dressler

Marie Dressler, incidentally, was fond of what stage folk term "goating"—in other words, interpolating cracks, wise and otherwise, to break up the company on the stage. During the play's New York run, Stringer, newly wedded, was naturally much in evidence. Marie loved to throw over a line of her own impromptu composition, barbed with a gag at the young husband's expense. "She's a swell girl, but I'm wondering if she'll ever turn out a second stringer," was one of Marie's gags which almost wrecked the performance.

Marie Dressler links with Una Carberry—and Chatham. For, though a native of Cobourg, it was in Chatham that the future great actress and screen star spent much of her girlhood. She attended the old Forest Street School at the same time as Arthur Stringer. Somewhere in Chatham there still exists the silver napkin ring Marie Dressler presented to Principal James Brackin in behalf of his class on the seventeenth of March, which was his birthday. The class had chipped in their nickles and dimes, had bought the ring, and were wrangling as to just how and when to present it when Brackin appeared. The school girl who was to star as "Tugboat Annie" was equal to the emergency. Snatching the ring, she shouted, "Hi, there! Catch!"

And Jimmy Brackin caught the ring.

The Marie Dressler that-was-to-be in those days was little Leila Koerber, daughter of "Professor" Koerber, a church organist, composer and music teacher. Stringer, years after, undoubtedly heard many of her reminiscences of how she fought her way to fame. And Chathamites, despairing of any other solution to the mystery, are arguing that, though they look different in print, the names "Koerber" and "Carberry" possess a certain orthoepic affinity.

Failing that, for Stringer's Una Carberry, to paraphrase the words of a hillbilly philosopher, "There just ain't no original."

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· 1943 ·
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1942	$2,057,257.15
1943	$2,762,805.45

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Estates, etc. Under Administration

1941	$9,833,555.52
1942	$11,383,228.85
1943	$13,280,062.64

Assets in the Hands of the Company

1941	$12,044,796.57
1942	$13,838,101.38
1943	$16,455,962.17

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CANADIAN BANKS HAVE MEASURED UP TO THEIR RESPONSIBILITIES IN PEACE AND IN WAR

Say J. A. McLeod, President, and H. D. Burns, General Manager, at 112th Annual Meeting

THE BANK OF NOVA SCOTIA

Scaling down of taxes will stimulate peacetime activities. Government and business must co-operate to achieve high level of post-war employment.

Mr. J. A. McLeod, in his Annual Address to the Shareholders at Halifax on February 2nd, spoke as follows:

Mobilized for Total War

"On the military fronts the past year has seen a heartening improvement in the fortunes of the United Nations. Since the battle of Stalingrad our Russian Ally has driven relentlessly westward until now she has crossed the border of Poland, all the time wearing down and destroying the Nazi war machine. China has held fast in the seventh year of her heroic struggle against the Japanese invader. And at long last, the vast war-making capacity of the British Commonwealth and the United States has been reflected in decisive events on the battlefronts from the Mediterranean to the South Seas, in the waters of the Atlantic and in the air over Europe. In this fifth year of the war, the most significant development is the fact that the United Nations, and especially the continent of North America, are now truly mobilized for total war, as is evidenced by the growth in the fighting services and by the gigantic output of arms and war materials which seals the doom of the Axis Powers."

Remarkable Production Record

"Canada's part in this achievement is one of which we are justly proud. During the past year, in addition to her military effort, she brought into full production a great and diversified armaments industry, she increased even further her already large shipments of foodstuffs overseas, and provided huge quantities of essential metals and other basic products for the war programmes of the United States and Great Britain. Perhaps we have now become almost immune to an appreciation of the astronomical figures of war, particularly when reading those of the United States. Nevertheless, if we stop to think of it, we can scarcely fail to recognize the significance of a further increase during 1943 of more than three-quarters of a billion dollars in the value of Canada's output of the finished implements of war, to a total of about $2,800 millions—a figure almost three and a half times as great as that for 1941."

Exports Reflect Magnitude of War Effort

"Another impressive indication of the scope of the economic effort is the enormous expansion in our exports—arms to the battlefronts, war materials to the industries of our Allies, and food and a variety of needed commodities to Britain, the United States, and other United Nations. In 1943, Canadian exports amounted to $3,000 millions, $600 millions more than in 1942. The magnitude of this figure is brought home when we remember that prior to the war, in 1938, our exports were $850 millions and that even then we were the fifth trading nation of the world. Today we are the third, exceeded only by the United States and Great Britain."

Railroads do Outstanding Job

"In addition to the achievements of our new war industries, our basic and long-established industries have given a good account of themselves. Older capital equipment, and a working force in many cases depleted by the urgent demands of the armed services and war industry, have been fully and effectively utilized. This is particularly true of agriculture and the railways. It is also true of many other industries among which, as the General Manager's account of the Bank's wartime operations will show, may properly be included banking. The railways are an outstanding example of what has been achieved through increasingly efficient use of equipment to which it has been impossible to add in anything like the proportion of the wartime rise in traffic. Thus, last year, though there was little expansion over 1942 in the number of cars loaded, there was a considerable further growth in the tonnage of freight loaded and even more in ton-miles—the measure which takes into account the length of haul. The President of the Canadian National Railways recently provided an even more remarkable illustration when he stated that the traffic of 1943, which was nearly two and a half times that of 1917 in ton-miles of freight and two and a third times as great in passenger miles was handled with 17% fewer locomotives, 16% fewer freight cars, and only 5% more passenger cars than in 1917."

Farmers' Achievement Truly Great

"The story of agricultural production is even more notable, when account is taken of the basic characteristics of farming. With a severely reduced working force—the number of male workers engaged in farming is some 25% less today than prior to the war—the farmers of Canada have raised their production by more than one-third over pre-war levels. They have raised their output by enough to meet greatly enlarged export needs; to cover special wartime requirements such as those of the armed forces in Canada, ship's stores, prisoners of war and so on; and to provide for a level of civilian consumption larger and more nutritive than before the war. This is a truly great achievement and, though good weather has helped to make it possible, hard and long work on the part of the farmer and his family, together with improved methods, have yielded their return."

Civilians Well Fed and Clothed

"As was to be expected, the requirements of the war in 1943 continued to restrict production for civilian use and to curtail services available to civilians. Evidence of restriction is to be found in decreased employment in a number of non-war branches of manufacturing and in trade. It is also to be seen in a further contraction of private building and, of course, in the increasing scarcity of some consumers' goods as distributors' inventories have been drawn down and not adequately replaced. But when all such developments are given their due weight—and most of us have a tendency to overemphasize the shortages that we personally have encountered—can anyone doubt that Canadians have been fortunate? The fact is that the level of civilian consumption was not much lower in 1943 than 1942. Though rationing and certain specific shortages have necessitated moderate changes in the food habits of some citizens, Canadians have been well fed—on the average better fed than ever before. The other necessaries of life have generally been available in adequate quantities, together with a modicum of conveniences and luxuries which would seem great to the people of Britain and unbelievably bountiful to the peoples of the war-torn countries of Europe and Asia."

Inflation Held in Check

"We may also count among our blessings the fact that the prices of goods and services have generally been held within reasonable bounds, that inflation has not developed with all the maldistribution and conflict to which it inevitably gives rise. This is a great advantage, and one that Canada has enjoyed to a greater degree even than most other countries which have made serious efforts at price control. The wartime increase in the Canadian cost-of-living index has been held to slightly over 18%. In the past year, when inflationary pressures were still increasing, the rise was held to only 2%. In the United States, the wartime rise has been 26% and in Great Britain it works out to 28%. One has only to look back to the inflation of the last war to realize how much better off we have been in the present struggle—the advance of 18% in this war compares with a corresponding increase in 1914-18 of 58%."

Battle of Inflation Not Yet Won

"It is well to remember, however, that the threat of sharply rising prices and living costs is still serious and is in danger of being accentuated by overconfidence engendered by the success of price control to date and by the marked improvement in the war news. This is no time to relax our efforts. The prevention of inflation will continue to help us to sustain the war effort, and later to deal effectively with problems of transition to peace. While it will not solve all of our post-war problems, it will provide an atmosphere and a background without which an orderly and effective transition of the economic structure would be out of the question."

Problems Involved in Relaxing Controls

"Canada, like the United States, is now reaching a stage in her war economy where some shortages are becoming less acute than formerly. The great endeavours that have been made to enlarge supplies of metals, for example, have borne fruit so that now, in some instances, there is enough to meet all critical needs and to leave a certain amount available for civilian purposes. I would not suggest that we are on the verge of a general easing of civilian supply. The paper shortage has recently become more stringent. Food supplies are not apt to become more plentiful for some time, especially in view of international relief requirements, and in agriculture and forestry in particular the shortage of manpower remains acute. But here and there are some signs of relief, and problems involved in the relaxation or removal of controls are beginning to arise while we are still in the midst of a full war effort."

Favour Orderly Removal of Restrictions

"All of the wartime controls were imposed to deal either with particular shortages, or with the general shortage of goods in relation to purchasing power. In this latter category are included the price ceiling, and the special measures of war finance. It seems evident that wartime controls should be removed as the shortages they were designed to combat are relieved and overcome. A few specific controls have been relaxed already. Many others may well be relaxed before the surrender of our enemies, while still others may be needed for varying periods after the close of hostilities. For example, the relief drain on our food supplies may necessitate the continuance of some kinds of food rationing. Furthermore, it is possible that the threat of inflation may remain for some time after the fighting has stopped and in such circumstances price control might be one of the last to be entirely removed. It seems to me that the emergency controls should be removed when the emergency has passed, and that any wartime controls which the Canadian people may desire to perpetuate should come from Parliament as new measures."

Socialism Not The Answer to Full Employment

"There is today a great deal of discussion about the importance of full employment after the war. Nobody disagrees as to the desirability of full employment, that is, work for everyone who is able and anxious to work. But let us not imagine that the achievement of full employment in peacetime will be as easy as in wartime. In war we have one universal and overriding objective and we are willing to pay almost any price to achieve it, including the temporary sacrifice of many of our rights as individuals. We do not welcome regimentation but we do accept it—political, economic, and social. Shall we be prepared to pay the same price for full employment when the war is over? Shall we have the same unity of view? There are already divergent opinions as to how full employment can be approached in the postwar period. There is the view that the state should do the job through socialization of industry and trade. On the other hand, there is the more realistic opinion, that private enterprise should and can achieve the greatest possible measure of progress, the state confining itself to such measures of assistance or restraint as experience has shown to be desirable. To approach full employment government and free enterprise will have to play complementary and not conflicting roles. For if Canadians fail to work together and waste their strength in social conflict, there will be no hope of attaining the better society which is desired; we shall get the sort of post-war society which we deserve. If we do some hard thinking now as to the ways and means of achieving full employment, we shall have a reasonable chance of approaching our objective."

Urge to Build and Take Risks, Natural to Free Men

"I do not wish to suggest that government has a small part to play in the transition to peace. Its role is a vital one. There is the major task of providing a greater measure of social security which, in addition to its direct advantages, would have some influence in checking economic depressions. There is the job of maintaining such regulation of trade and industry as may be required to protect the public interest. There is the whole sphere of monetary and financial policy. There is the matter of providing emergency employment in the transition period through public works and other means. There is the complex and essential job of determining our trading and exchange relationships with other countries. Above all, there is the job of helping to provide conditions in which individual initiative can best do the vast work of production and development of which it is capable, and which indeed is an absolute essential to our post-war welfare. But the point is that government can only help, and it will be able to help only if it is motivated by an informed and active public opinion. Basically we must depend upon those qualities of resourcefulness and self-reliance that have always been characteristic of the Canadian people. The desire to improve one's lot, the urge to build and construct, the willingness to take risks, these are qualities essential to economic progress and natural to free citizens."

Need for Agreement on Monetary Stabilization

"In the international sphere, there has been an increasing amount of thought and discussion directed to post-war reconstruction. One of the most important developments is in the field of monetary stabilization. I do not wish to attempt here any evaluation of the merits of the particular plans proposed by the monetary experts of Britain, the United States, and Canada. Indeed, it seems to me unfortunate that emphasis has been so largely upon differences in detail rather than upon the fundamental problems with which all three of the plans are designed to cope.

"These plans are designed to provide for the countries of the world sufficient resources of foreign exchange with which to start the flow of international trade after the war; to establish a means of determining the exchange rates at which the flow shall be restarted and of achieving and maintaining a maximum degree of stability in rates over the longer term; and to set up what is essentially a short-term international credit machinery designed to meet short-term maladjustments in the accounts of the trading nations and to provide time and technical assistance to make adjustments of a more fundamental nature. The necessity of achieving these ends in some way is obvious to all who remember the difficulties and chaos of the thirties—the losses of international liquidity suffered by some countries, the instability of exchange rates and the increasing attempts to solve these problems through bilateral monetary and credit bargaining."

Should Reduce Trade Barriers

"Agreement as to monetary stabilization would be one very important step toward reviving international trade in an atmosphere of expansion and freedom. Other steps will also be necessary, among which perhaps the most important is agreement as to commercial policy. Though the necessities of war have temporarily pushed aside some of the barriers to trade, the whole machinery of trade restriction remains. Unless plans are made soon to reduce and eliminate trade barriers, we may find that the channels of international commerce are again clogged when the war is over. The announcement before the end of the war of plans designed to reduce impediments to trade would be a positive aid to reconversion. Furthermore, the chances of reaching agreement on such matters are probably much better today than they will be when the world is in the midst of the difficult transition from war to peace."

Canada's Interest in Foreign Trade

"No country has a greater interest than Canada in an effective international system. The character of our resources and our productive capacity are such that we must maintain and expand our foreign trade in order to have a satisfactory standard of living. The colossal volume of our trade today is no measure of what it may be when the war is over. Then, instead of an unlimited demand for industrial products and raw materials, we shall have to meet keen competition particularly in those spheres of production to which war has added so much additional capacity—capacity far beyond the bounds of any foreseeable domestic market. The fullest attention should be given, and given soon, both by business and by government to seeking and planning for opportunities for post-war trade."

Need for Positive Immigration Policy

"Consideration must also be given to the subject of immigration. There is a popular misconception in Europe and Asia that Canada with a population of only twelve millions makes poor use of her gigantic area. The fact that so much of the Dominion's lands are beyond the northern fringe of effective human settlement is not always appreciated. Yet when this fact is recognized, can anyone believe that Canada with her vast natural resources of land, timber, and minerals could not support a larger population? Since the beginning of the 'thirties, when like other countries under the influence of the depression, we adopted a negative attitude toward immigration, little thought and study has been given to this problem. The benefits of immigration from a Canadian standpoint seem to have been almost overlooked. I am satisfied that there are real possibilities of selective immigration and that our policy in this regard may have a very important bearing on our future economic welfare. This is surely a subject on which Canada should have a positive and constructive policy, for men and women of the right type are the greatest assets of a nation and there will be multitudes wishing to leave, or already uprooted from, the lands of their birth when this conflict is over."

Farm Population Needs Replenishment

"Another matter of great importance to our post-war welfare is the maintenance of a healthy and growing agricultural community. In large measure, this is an international problem, as all those who have followed the prices of wheat, or for that matter, of hogs or steers, know full well. In this regard, it is encouraging to note that a serious attempt is now being made to develop the means and the will for consideration of agricultural policies on an international basis. For Canada, a prosperous and active agriculture is essential to economic progress and to a well balanced economy. In my opinion, Canadian agriculture has by no means reached its full potentialities of development. The war has inevitably caused a very serious drain of population from the land and at the same time has led to a degree of industrial development, some of which it may not prove feasible to sustain. Replenishment of the farm population after the war will help to restore a better balance between agriculture and industry and should make a significant contribution to the solution of our economic problems."

Banks Have Measured up to Responsibilities

"Before concluding I must refer to that section of current political and economic thought sponsoring the proposal of nationalization of the banks. With the General Manager, who will have more to say on this subject, I am convinced that the banks are performing their functions effectively and with a proper sense of their responsibilities to the Canadian public. It is worth remembering that nearly ten years ago a Royal Commission on banking and currency investigated criticisms then being made of Canadian banking practice and theory and gave the banks a clean bill of health. At the conclusion of the hearings Sir Charles Addis, member of the Commission and a foremost British banker, regarded the presentation of the banks' case as worthy of the following comments:

> 'I am proud of my profession. You have been subjected to a searching questionnaire and you have given us a straight reply. You have refuted one by one the many ill-informed and, I may add, in some cases, malicious charges which have been levelled at the banks, and you have done so with a dignity and with a moderation, and with a frank sincerity which compels conviction. I believe that your document will stand historically as a defence of the Canadian Banking System, and if this Commission, in my judgment, has done nothing more than elicit this response it would not altogether have failed in the task allotted to it.'

"You will remember that as a result of its studies the Commission did recommend the creation of a central bank with a view to centralizing the direction of monetary policy and exercising control over the volume of credit. That recommendation was carried out by the Government, but strangely enough the banks continue to be charged with the misuse of powers over credit which have been centralized in the hands of the Bank of Canada since its inception. I believe that the other arguments used to justify nationalization of the banks are equally ill-founded. When the activities of the banks are again considered by a public committee, as they will be when the Bank Act comes up for revision, I am satisfied that the verdict will be essentially the same as that brought down ten years ago."

General Manager's Address

After reviewing the Bank's Annual Statement, Mr. H. D. Burns, General Manager, spoke to the meeting as follows:

Corporate Tax Problems

"Reverting to the subject of the refundable portion of the excess profits tax, to which I made reference when reviewing the Bank's statement, I should like to make the general observation that while the Government is not obligated to pay such portion until two years after the end of the war, earlier repayment would often be most helpful in the process of reconversion from war to peace. While the Bank is not directly concerned, some businesses will have very substantial expenses of a capital nature, and I can think of no more appropriate use to which the excess profit refunds could be put than to stimulate and assist the re-establishment of industry in peacetime pursuits. It is scarcely necessary to add that the prompt removal of the excess profits tax as soon as the emergency has passed will be a most important factor in bringing about a revival of private investment and enterprise. No single act by Government will do more to stimulate a return to peacetime activities, for, while the excess profits tax is an appropriate war measure, delay or doubt concerning its removal would leave a most formidable barrier in the way of new investment and enterprise. And let us remember that removal of the excess profits tax and reduction in the minimum effective rate of the corporate income tax does not involve anything like the loss in government revenues which might appear at first sight. Taxes on corporations represent funds removed from the productive and distributive machinery before they reach the hands of the shareholders and owners. If such taxes are removed and lowered it means that more taxes will be collected from the final recipients of income through the personal income tax which, when equitably enforced, is considered to be the fairest means of obtaining government revenues."

Nationalization Proposal Discussed

"Nationalization of banking has recently become a subject of widespread discussion. Mr. McLeod has already touched on this matter and has expressed his thoughts in regard to the respective places of government and individual enterprise in the post-war economy. With him I would emphasize the importance of encouraging and utilizing to the full the vast constructive power of individual initiative as one of the chief implements in building a better post-war society. Individual initiative in the economic as well as in the political sphere is an essential ingredient of the democratic way of life.

"Nationalization of banking or any other service or industry is not an end in itself. Its justification or lack of justification lies in its potential results. Let me review the facts as I see them."

Volume of Credit Effectively Controlled by Government

"In the first place, those who advocate nationalization frequently stress the desirability of government control of money and credit because financial matters are so important in the economic welfare of the nation. The desirability of such control is not questioned today: it is already in existence and functioning smoothly. The Bank of Canada, which is entirely owned by the Government, controls the cash reserves of the Chartered Banks, and I can assure you that it is a close and effective control. By this means it exercises the sole authority over the volume of credit in Canada. In short, the ultimate power to expand or contract the volume of credit is not vested in the Chartered Banks but in a government-owned corporation which is charged by statute with the duty of directing monetary policy in the best interests of the nation. Although current events have provoked a wide public interest in and study of monetary policy, which, of course, is highly desirable, unfortunately, the impression still persists that the chartered banks wield a power over credit, which, in fact, they do not possess.

"Furthermore, the functions and powers of the Chartered Banks are clearly defined in The Bank Act. That typically Canadian piece of legislation—the British, for example, have no special body of legislation for banks as such—specifies what the banks may do as well as what they may not do. Every ten years The Bank Act comes up for revision when it is thoroughly considered section by section by the elected representatives of the Canadian people and amended as may seem desirable in the light of experience or changed conditions. The Act thus establishes the manner in which Canadians believe that banks should operate in their country."

Banks Rise to Wartime Responsibilities

"In the second place, it should be emphasized that the banks have not failed to give their full and active co-operation to the central bank and to the Government in carrying out national policy. This has been amply demonstrated during the past four critical years, not only by the direct financing of war industry and government, but also by the variety of new and complex administrative tasks which the banks have taken on in a spirit of wholehearted co-operation. For this the Canadian banks expect no special credit; it was their clear duty and responsibility, and had they failed to respond to the call of war there would be reason for censure indeed. But in all fairness it should be recognized that they have responded splendidly, and have done everything within their power to further the prosecution of the war. As a banker it is a source of satisfaction to me that the Canadian banking system has proven sufficiently flexible and strong to assume new and urgent tasks and to perform them efficiently at a time when manpower has been scarce and alternative means would have been expensive and troublesome to devise on short notice."

Two Big Jobs

"The additional work taken on by the banks as a direct result of the war is both substantial and varied. One of the first important new jobs was to act as agents of the Foreign Exchange Control Board in the extensive system of foreign exchange control which the war necessitated. This has been an onerous undertaking, involving as it did the dissemination and explanation to the public of a series of completely unfamiliar regulations and the handling and completion of the various required forms. In the early stages numerous problems were encountered but it was not long until the new regulations were functioning smoothly. Work in connection with the sale of Government obligations to the public has been another of the important and continuing wartime duties of the banks. The great majority of subscriptions to Victory Loans are handled by the banks, including registration as to principal and distribution of the bonds themselves through the branches. This creates an enormous peak load of detailed work at the flotation of each loan, and is accompanied by the fullest effort on the part of the banks to further the sale of such obligations. In this respect, I should like to say that the banks regard the furtherance of the sale of Victory Bonds and War Savings Certificates as one of their greatest responsibilities. There are no better investments. They 'speed the victory,' which is the absolute essential of our future welfare. As a protection against inflation they aid the post-war transition. And they provide the utmost in security for the purchaser."

Other Wartime Services Show Flexibility of Banking System

"Among the other special wartime work of the banks is the continuous sale of War Savings Certificates and Stamps, both of which are now available over the counter. Ration coupon banking is another major wartime service. Through the use of the banks' facilities the Government has been able to make a substantial saving of manpower and money in connection with the handling of ration coupons, some 50 million of which may enter circulation every week. Ration coupon banking has reduced the number of operations incidental to the circulation of these coupons and has relieved the Government of the detailed work of receiving and checking them, as well as of keeping the necessary individual accounts. Then again, the distribution of milk and butterfat subsidies is made through the banks, involving a large addition to the work of some Branches. I might mention a number of other wartime services, such as the work for the Custodian of Enemy Property in respect to the accounts and assets of enemy aliens, or the vast increase in banking services for the Government. I have probably said enough to indicate the tremendous volume of direct wartime work that the banks have been able to perform. This record shows how fully the banks have measured up to their wartime responsibilities. It should be added that they have done this at a time when they have been handicapped by the loss of experienced male personnel and the necessity of training many inexperienced, though willing, women as replacements. To give you some impression of the scope of this problem, I may say that in 1938, the last full year prior to the outbreak of the war, some 80% of the Bank's staff were male workers while today the figure is 42%."

Present System Safeguards Depositors

"In war as in peace, the banks have continued to be mindful of their basic responsibilities to the Canadian people, which I might enumerate as the protection of their depositors, the providing of bank credit to all credit-worthy applicants, and generally the provision of efficient and effective banking service. The prompt and full repayment of any bank deposit is taken for granted in this country where there has been no bank failure for two decades—a fact which is of prime importance in the maintenance of confidence in our social and economic structure. The Canadian banks number on their ledgers more than 5 million deposit accounts belonging to people in every walk of life and in every income level, and to businesses and institutions. These people regard their deposits as cash and indeed cheques against bank deposits are the principal means of payment in this country. It is small wonder then that The Bank Act and the tradition of Canadian banking practice lay great emphasis on the protection of the depositor. Because of this responsibility the banks have never been permitted to make mortgage investments and have generally confined their lending activities to the relatively short-term field."

Banks are Anxious to Loan Money

"Now let me say a word about bank lending. Some of the proponents of nationalization suggest that the banks are unduly conservative and sometimes unreasonable in their attitude toward prospective borrowers. I make no claim that the banks are infallible. There are some 3,000 bank managers across the Dominion and now and again mistakes are made. Sometimes the manager may be unduly cautious. On a matter of judgment (and lending can never be reduced to a mechanical basis) one may not always weigh correctly the considerations involved—the applicant's proposal, his record and his character, his security, if any, and so on. But do not imagine that the mistakes are all on the side of undue caution. There is the other extreme—of too-free extension of credit with resultant direct loss to the bank. To cite and harp on a few instances of refusal of credit due to undue caution, or, on the other side, lack of prudence on the part of bank officials in making loans, does not constitute an indictment of bank lending generally. The fact is that the lending of money is a difficult and highly skilled occupation, and the ability to do it intelligently is the highest attribute of the banker. It is not an exact science and cannot be learned from a text-book. It involves a knowledge of business practice and of the conditions peculiar to the locality. It requires experience and above all the ability to judge character. The aim of each Canadian bank is, and always has been, to develop and train men to lend money successfully and usefully. Lending money is the bread and butter of the banks, and any bank unable to do so effectively would stagnate. It is axiomatic that when loans increase the banks' earnings are higher and that when they decrease their earnings shrink. The comparatively low rate of return on investments is a powerful added incentive to keep up and expand loans. No bank can afford to adopt a casual or aloof attitude toward its lending business, for it must face continuous competition both from other banks and from other financial institutions. The penalty of undue caution is the loss of a good customer or a potential customer. This constitutes the public's basic protection and advantage under a competitive system—factors which would no longer exist in a nationalized system. There should be no illusion as to the keenness of competition. Failure to meet what the customer regards as a legitimate demand often leads him to change his bankers. Sometimes he will go outside the banking system to a trust company or to a finance company or insurance company, all of which have money to lend in their particular spheres of activity. A good account may be easily lost and if a bank does not meet current competition it has small chance of holding its position and maintaining its profits."

Competition Versus Monopoly

"Competition ensures a fair and reasonable hearing for prospective borrowers. Competition ensures good and efficient banking service. Banking practice and tradition ensure safety for the depositor and privacy in the customer's personal affairs. Existing government regulation and control ensure a considered monetary and credit policy sensitive to the country's changing needs as determined by the national authorities. As matters stand today the public interest is protected both by government regulation and control, by competition and by banking practice and tradition. Nationalization of the banks would remove the very important element of competition and substitute a government monopoly. What effect it would have on banking practice and privacy in the customer's affairs is a matter for conjecture. However benevolent and well-intentioned such a monopoly might be, the Canadian public would have to accept its decisions and would have no recourse except through the ballot-box or political influence. I cannot believe that this would be an improvement over the existing state of things where the Government exercises supervision and control over monetary policy generally, but leaves the particular conduct of banking to ten competing banks."

War Effort of the United States

"In the year just past our good neighbours, the United States, have succeeded in turning much of their vast potential power into actual fighting power, with results for the cause of freedom which are apparent for all to see. Their arms are moving to every battlefront of the world and their fighting men are playing a great and vital part both in the war against Japan and in that against Germany. The strength of the armed services of the United States is now reported to be 10,000,000 and the peak is not yet reached. The war expenditure of our neighbour is estimated to be in the neighbourhood of $90 billions in the current fiscal year and the estimates recently released place it at approximately the same level in the coming fiscal year. The accomplishments of the United States are an inspiration to the free world, just as they spell disaster to the mad aspirations of those who would destroy us."

Tribute to the Staff

"In closing I wish to pay tribute to the loyal men and women of our staff who zealously, but without ostentation, have measured up so splendidly to the extraordinary demands thrust upon them by the war. The loss of experienced personnel to the Armed Forces has been a serious handicap which has only been overcome by a highly commendable devotion to duty on the part of our senior officers in the training of new personnel as well as in the extension of their normal duties, and the earnest application of new recruits—for the most part young women—to new and strange tasks.

"During the past year 151 members of the Bank's staff joined the Armed Forces and we now have 851 of our young men and 18 of our young women in the Services. Of our male staff of military age 59.4% is now in the Armed Forces. I am proud to report that three of our officers, in addition to the one mentioned a year ago, have been awarded the Distinguished Flying Cross.

"At the last Annual Meeting we reported that since the outbreak of war eleven of our men had been killed on active service, four had died in Canada, four were missing and three were prisoners of war. It is with profound regret that I have now to report that during the past year sixteen of our men were reported killed on active service overseas (including three who had previously been reported missing), that six more were missing and that one was a prisoner of war. At the end of 1943, therefore, the Bank's Honour Roll showed 840 men and 18 young women on active service, 27 men killed on active service, 4 died in Canada, 7 missing, 4 prisoners of war, making a total of 900. To the gallant young men and women in the Armed Services we all wish a safe return to their homes with the assurance that a warm welcome awaits their return to duty with us. To the families of those who have made the supreme sacrifice we tender our sincere and heartfelt sympathy.

"Our total staff numbers 3,014. This is an increase of 181 for the year, represented entirely by young women whom we have taken on our emergency staff. We have now 1,753 women in our service compared with 1,384 a year ago and 487 at the outbreak of war. To these men and women, and for the part they play in Canada's wartime economy, is due our full appreciation, which I welcome the opportunity to now publicly acknowledge."

Reconstruction Was No Military Secret

By E. NEWTON-WHITE

The long delay in making public the official post-war plans of Reconstruction may have several explanations, but the lack of publicity and public discussion which has characterized planning since it began has no valid excuse and could well result in a very serious situation of unpreparedness and want of public co-operation.

Much of reconstruction work is bound to come in unfamiliar form, and can only be successful if those who are to participate in it are thoroughly educated as to its need and purposes, and are therefore in complete sympathy.

A great and invaluable force of reconstruction goes unused.

BY THE time the recommendations of the Government's various Committees on Reconstruction have been studied and absorbed by the Government and by the public, it may be dangerously late in the day.

The war has accustomed us to Hush—Hush; many a restriction has had to be placed on tongues and pens, with every good reason. In nearly all the serious thinking and activities of a nation at war there is information of value to the enemy, and doubtless we have given ourselves away many a time as it is. However, resignation to this need for wartime silence seems to have been so complete that for all the years of the war one legitimate and wholly necessary form of public discussion has been allowed to go suppressed—the plans for our domestic reconstruction.

There has been, of course, no "suppression", but there has certainly been no encouragement; which amounts, among our preoccupied selves, to the same thing. Valid excuses are not to be found. Benefit to the enemy was not a reason; the spectacle of a free country going steadily, openly and confidently ahead with its domestic post-war planning would have been neither aid nor comfort to the Axis; it would have been both to those most concerned: the soldier, his friends at home, those with lurking fears for the future in spite of the flood of specious promises, those whose interest in reconstruction was intense for any and all reasons.

A well fostered sentiment has been to the effect that public planning for the post-war would divert just that much attention from the war effort. But if this were true many other non-war forms of thought, discussion and occupation have also been distractions, and should have been discouraged: the non-war books and films, the comics, hockey and baseball, and a host of other things. And if it be argued that some of these are valuable "escape" features, the same could be said with far more emphasis for future-planning. Anyway, the need of holding the public attention to the war effort is greater now in these days of final struggle and victorious trend than ever before; yet the plans are now being disclosed.

There could be other reasons. There could have been a slightly less than democratic conviction on the part of administrators and scientific experts that their plans and conclusions were perfect; therefore discussion was superfluous and harmful. There could have been mistrust of the public ability to understand the issues enough to discuss them. There could have been fear that the projected amount of continued interference with cherished privileges and traditional processes of pre-war human enterprise could only be put over quickly and under cover of wartime preoccupation.

Political Tricks?

There could have been selfish interests to gain from an inadequately discussed program. There could have been the good old political bag of tricks being got ready but Not To Be Opened Before Election. Perhaps none of these were among the reasons, but the result is a most undesirable situation in an enlightened country just about to face tremendous peace problems.

In the coming time of reconstruction, all that can be salvaged from the war's wreckage and waste, all the lessons learned, all amends for an unwise past, all determinations for a better future, have to be used in the task. For some reforms the issue may even be now or never. These problems are not alone scientific and technical and commercial, they are also social, moral and spiritual; the whole range of human interest is involved, and every thinking person in the land should be contributing his or her share of solution.

That can only be done by discussion, discussion through all the means at our disposal. It is scarcely possible that any body of men, however brilliant, however well chosen, can have formulated a set of plans of such tremendous implication and diversity, yet of such infallibility that they can be adopted holus-bolus as the post-war program of the Nation.

That, it will be at once said, is not intended, would not be tolerated, is impossible. The plans are now to be placed before the people and their Parliaments for criticism and amendment, adoption or rejection. But wait! These plans have been in preparation since the beginning of the war; they represent four whole years of gestation; of necessity they are the work of experts and authoritarians; and undoubtedly their physical bulk is in direct relation to their enormous scope. This is still wartime; time is scarce; so is newspaper and other press space; *so are competent experts not in government employment* or with time to spare for reasoned and constructive criticism. Of the usual standard of parliamentary debate on such topics perhaps the least said the better. Public willingness to let George do it may be depended upon, also as usual.

Could not these plans, almost as they stand, come to be the accepted post-war program of Canada if for no other reason than that there will be no time, or personnel, or machinery or compelling will to create alternatives? Post-war domestic planning should have been done from the outset with full publicity and the fullest discussion consistent with wartime possibility. So far as the average citizen is concerned—and he is exceedingly concerned, these plans can come to him not essentially different to the edicts of a dictator; not, of course, intentionally but by the very default of the average citizen himself.

Dictatorship?

We evidently do not like dictatorships, good or bad, and this form of dictatorship-in-effect is equally undesirable. Consider how we choose or have chosen for us all our representatives, experts, administrators and politicians, our business leaders and our social workers; those who form the conventional timber of committees and the delegates of public and private interests with whom committees deal. We have, of course, a hundred standards of qualification, among which are push, pull, pure merit, wealth, appearance, fluency, public service, party service and so on; with some who might seem to be chosen for their entire unsuitability. It is naturally a haphazard method and produces results to match, but it is the nearest approach to the democratic process we have been able to make, and we should hang on to it like grim death until we can do better, because it works if discussion and criticism can be applied without stint. But that application is essential.

This being our well recognized system, it is no reflection on the more or less anonymous official reconstruction committees or those who drew up the enormous amount of suggestions which seem to have been contributed from all quarters, to insist that the outcome must be very critically examined. It is unfortunate that the public, drawing no distinction between the war effort and post-war preparations, made insufficient use of its rights and privileges in the latter issues.

It should be well realized that this is no set of emergency measures merely to take care of demobilization and the immediate confusions of the change from a war economy to a peace economy. It is a necessarily cut-and-dried program and set of working plans with which we shall have to live closely and faithfully for the next generation. At least, if it is not all that it is no good.

To look upon the long range features of post-war planning as so much experimental ground on which trial and error methods can be used, and adaptations freely made as we go along, would be fatal. We have to crystallize certain of our policies and then stay with them; but that is the significance of this loss of four years of opportunity for reasonable debating and educational preparation.

There is, indeed, a very serious lag in physical preparation as well. For instance, in the countless and difficult surveys of local problems and circumstances and opportunities which must be made before theory can become practice, and in organizing the local communities for their full participation in local rehabilitation—a vital principle indeed.

But especially is education in reconstruction a most serious casualty. Our new way of life demands great changes in our traditional thoughts and actions. Without preparation, without full and sympathetic appreciation of the whys and wherefores and the stern necessities, we are not going to accept the workings of any plans, however good, without resentment and bickering; and these, where enthusiasm and high purpose alone can have a place, are deadly. Especially where the problems of reconstruction are concerned with agriculture and land use, forestry, conservation in general, community rehabilitation and the like, there are implications of educational need.

THE BOOKSHELF

CONDUCTED BY J. E. MIDDLETON

Three Eye-Witness Accounts of The North African Campaign

REPORT ON NORTH AFRICA, by Kenneth Crawford. (Oxford, $2.50).

SPRINGBOARD TO BERLIN, by John A. Parris, Jr. and Ned Russell with the collaboration of Leo Fisher and Phil Ault. (Oxford, $3.75).

HERE IS YOUR WAR, by Ernie Pyle. (Oxford, $3.75).

ANYONE who has attempted to unravel the complications of political North Africa is likely to conclude that each Frenchman of any prominence has a separate policy and will co-operate with no other Frenchman. Kenneth Crawford, long accustomed to the political scene in Washington, spent three months in Algiers and thereabouts and came home puzzled. In the final chapter of his most interesting book he wrote: "To Gaullist sympathizers it was traitorous to say that Giraud was an honorable man. To the Giraudists it was impossible to see how honest Frenchmen could favor De Gaulle. Some men were so revived by the re-capture of North Africa and consequent hope for the future that they bitterly resented American intervention in French politics, even though this intervention might be necessary at the moment to prevent civil war among French factions and loss of all that had been won." His story of many diplomatic comings-and-goings before and after the American invasion is admirably told; though depressing for the future.

The other two books mentioned above are color-tales of the American soldiers at work and at play, with the mention of many names for the interest of "the folks back home." *Springboard to Berlin* which has as many authors as a technicolor film is what the City Editors call "human interest stuff" and makes most entertaining reading. But Ernie Pyle, with the true instinct of a columnist, is still more h.i. He writes as the boys talk when clustered about the stove in the general store, and it's great stuff.

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Japan, Yes and No

By J. ANDERS

OUR JAPANESE FOE, by Ian Morrison. (Allen, $2.00.)

THE course of a river is determined by mountains and valleys, trees and rocks, the nature of the soil over which it flows, and by many other things. But these things do not make the river. Mr. Morrison seems to think that cultural landmarks make a culture. He describes the Japanese cultural landmarks in an eminently well written little book of 129 pages. But he lacks penetration. The book will be welcome to those who know something of Japan. However, I would hesitate to recommend it for a purpose for which its size would make it well suited: for the purpose of initiating the novice.

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The Fightingest Thing

CONDITION RED, Destroyer Action in the South Pacific, by Commander Frederick J. Bell, U.S.N. (Longmans, Green, $4.00.)

THIS title is the code-warning of imminent attack by the enemy and it came many times in all parts of the Pacific after Pearl Harbor. The author, in command of a destroyer, which in six months covered more than 50,000 miles of steaming, and no inconsiderable amount of action, sets out to describe the inner workings of the Naval service aboard one of these streamlined whippets so crowded with machinery and offensive power that life for the men is like an evening party in a sentry-box.

He confirms the judgment of a senior officer that a destroyer is "the fightingest thing afloat" and adds that team-spirit which makes for efficiency is at its peak in such ships. The book is rich in the description of memorable times, such as the rescue of survivors of the *Meredith* sunk by enemy bombs, and the convoy of a vessel carrying all the torpedoes and ammunition required for the men and ships at Guadalcanal.

At the same time it is overloaded with diary-entries of no particular value save as contributions to "atmosphere." The writer also reveals a certain exuberance distinctively American which may seem strange to readers accustomed to the "dignity of silence" revealed by British Naval officers of equal rank. The book should be read just after, or just before, Forester's *The Ship,* in order to feel the contrast.

But with clearness *Condition Red* reveals the burden upon Naval men when Japan was flying high and proud and when the material and men geared for resistance seemed pitiably small. It's a gallant record well worth reading.

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Hitler the Very Devil

THE WAR FOR MAN'S SOUL, by Ernest Jackh. (Oxford, $3.00.)

A GERMAN democrat, head of the Hochschule fur Politik, widely known as a German centre of Liberal Internationalism, sat across the table from Hitler and discovered at that moment that both he and his institution would be lost souls in Nazidom. His life-work had been useless, his services to Germany as teacher and diplomat were forgotten, his speeches and writings against the totalitarian idea were remembered too vividly. Within a few weeks he was in England; soon he was a British subject and at last he came to America as visiting Carnegie Professor at Columbia University.

In this book he says more vigorously, and with wider knowledge, what scores of others have said; namely, that Hitler is the incarnate spirit of evil, as visualized ages ago by Isaiah in contemplating Babylon, and by St. John in considering the Beast of his time; Nero. His evaluation of the German masses he buttresses with some striking quotations from Goethe and Heina. The book is a strange mixture of high political argument and religious knowledge, but it is deeply interesting.

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Not Apologising

By J. LEWIS MILLIGAN

ARGUMENT FOR EMPIRE, by W. K. Hancock. (Penguin Books, $2).

THE author of this book lives up to his title, in that he is very argumentative. He has very definite convictions, and he stands up for them. But he is good humored and he presents his arguments in a racy manner that captivates and convinces the reader with an open mind. He argues with the Americans over their attitude toward the British Empire, deals with the problem of India, and many other aspects of the Empire, past, present and future. He frankly admits that there is plenty to repent of in the history of the British Empire, but he says, "Let us be quite certain that we don't repent our virtues, as well as our sins. And don't let us be so silly as to take on our shoulders the guilt of impersonal phenomena." A very timely and interesting book.

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Tales of the Air

THIS WINGED WORLD, an Anthology of Aviation Fiction, edited by Thomas Collison. (Longmans, Green, $4.50.)

POPULAR imagination has been captured by flying and a mass of fiction has catered to that interest. But for the most part the tales have been of the sort which no experienced airman could tolerate. Even a hastily acquired knowledge of gadgets and a smattering of air-vocabulary couldn't conceal the fact that the writers didn't know what they were talking about.

Yet every now and then a story appeared which commanded respect. The task of the Editor, himself a flying man of long standing, was to pick these specials out of the rubble, classify and present them once more in one volume, with an introduction. Beginning with the early dreams of flying, even all the way back to Daedalus and Icarus, and pausing on the way to air the skepticism of Dr. Johnson in "Rasselas" he came to Wells's *War in the Air,* Sinclair Lewis's *The Trail of the Hawk* and Conan Doyle's *The Horror of the Heights.* So, onward to the Great War, the post-war adventure and barnstorming period, and the present air-age.

Altogether there are 36 stories, some of the most distinguished quality. The Introduction is admirable.

•

Woes of a Neutral

SWEDEN, A Wartime Survey, by Karl Hildebrand and 25 others. (American - Swedish News Exchange, New York. n.p.)

SWEDEN is neutral by *force majeure.* It was more profitable for Germany to keep the economy of the country afloat, as a storehouse of iron and other war-needs than to occupy it and rick the sullen hostility of workers. As to Norway, the situation was different. Here was a long Atlantic coast with perfect hiding places in the fjords for submarines and other warships. Sweden faced only the Baltic which Germany commanded.

But the Swedes had no illusions as to what would happen if the Nazis should come to Stockholm. So they set up a defence program as formidable to the population of 6,400,000 as if war was upon them. The Defence Budget was raised from 37 millions in 1937 to 58½ millions in 1938, and thence to over 500 millions in each of the following three years. Of the conscripts called in 1941 ninety-six per cent were found fit for duty. The "territorials" which train volunteer officers comprise some 50,000 men. Home Guard and A.R.P. occupy the spare time of many thousands of civilians and over eighty thousand women are in war-work. And all this in the face of bitter shortages in all things. The griefs and emergencies of armed neutrality are well set forth in this book, published under Government authorization, but naturally our sympathies are more exercised by the lands which are not doing business with Hitler.

All books mentioned in this issue, if not available at your bookseller's, may be purchased by postal or money order to "Saturday Night Book Service", 73 Richmond Street W., Toronto.

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Scottish Refugees

By MARY DALE MUIR

THE THARRUS THREE by Catherine Macdonald MacLean. (Collins, $2.75.)

THOSE who have read "Seven for Cordelia" will be prepared for this later work by the same author. Laughter and relaxation lurk in homely happenings on a Tharrus farm and in the doings of three little refugees from the bombings of Edinburgh and Glasgow. There are calvings and egg-gatherings, picnics on heather-clad hillsides and little boys tucking into their meals because of their longing to get at the "afters", (Fulham idiom for puddings). Through it, and giving zest to it all, moves Cordelia, the lovable mistress of Tharrus.

No student of Homer but will chuckle with mirth at the sidelights thrown on the story of Troilus and Cressida in the broad Scots dialect of Rab and Jockie and Jock. Many a reader of Scottish birth and training will, for the first time, enjoy the awful day of the examination of the Senior and Middle Sunday School in Catechism and the Scriptures. This is the simple drama of Scottish life and through it runs a highly provocative strain of humor. When cockney Tommy enters the picture the mirth at times becomes almost ribald.

Nothing is overdone, rather the opposite, so that the pathos is the pathos of actuality and the appeal that of recognizable human emotions and reactions even in an unusual situation. So simple is the writer's style that one is only aware of its skill in the naturalness of the tale. The time covered is February 1st, 1941 to Hogmanay of the same year.

•

Russian Diplomat

MAXIM LITVINOFF, by Arthur Upham Pope. (McClelland & Stewart, $4.50.)

HERE is the complete story of Russian relations with the rest of the world since the first Bolshevik revolution for Litvinoff was in the middle of things from the beginning. At least it is complete from the Russian point-of-view and consequently some of the judgments concerning Great Britain and the United States may be too severe. Nevertheless the work is well-documented.

Litvinoff as a diplomat was a persistent advocate of collective security constantly hampered by the doubts and suspicions of other nations and by extremists at home. When Russian money was being sent to British advocates of a general strike and when Marxists of other countries were "boring from within" in the attempt to stir-up bloody revolution the prospect of Governmental co-operation and friendship was bleak indeed. But the diplomat never gave up hope. At last when a stunned world realized that Hitler meant business, boycotting of Russia was succeeded first by frigid bows, then by recognition, and at last by sympathetic co-operation.

The book is well-written and informing.

•

Boston at War

JOHNNY TREMAIN, A Story of Boston in Revolt. (Allen, $3.00.)

HAVING written *Paul Revere,* a brilliant study of conditions in Boston at the time of the Revolution, Miss Forbes set herself the worthy task of doing a boys' book on the same theme. She picked herself a hero of fourteen to sixteen, apprenticed to a silversmith, made him more clever than his master, and then spoiled his future by burning his right hand with molten silver. Thus forcing him, in a blind despair, to accept a series of blind-alley jobs, the author provided herself with a promising recruit for the Sons of Liberty and an unofficial observer of the progress of the revolutionary fever.

But the detail of the city life of the times is rendered with such depth of knowledge, and such charm of writing that the book in the making outgrew its purpose and became as interesting to adults as to boys and girls. And this, no doubt, explains the sub-title "A Novel for Old and Young."

Miss Forbes is careful to insist upon the fact that the torch of liberty borne by the advocates of reform and resistance was kindled at the fire of English freedom which had been burning for a long time. For American patriots of the more fervent sort this is indeed a novelty.

The book is radiant in its characterization and sound in structure.

•

Princely Prize

Doubleday Doran, never distinguished for penurious caution (as some publishers are) lays $20,000 on the line for the author who submits before January 1, 1945 the best novel combining literary distinction and popular appeal. There are no limitations of race, or creed, or nationality; the whole world is invited. The publishers have only one narrow line of retreat; if the judges determine that no manuscript is sufficiently distinguished and interesting, there will be no award. But, on the contrary, if two manuscripts are adjudged equally worthy, the prize will be doubled. The judges will be the regular Editors of the Doubleday Doran Company.

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WORLD OF WOMEN

Canada's Children Look Forward To The Future In The Skies

By BERNICE COFFEY

ANYONE who questions the statement that Canada is one of the most air-conscious countries in the world ought to visit the R.C.A.F.'s "Reich Raiders" show as we did one Saturday morning, and watch Young Canada as it queues up for its turn in the Link Trainer.

The Trainer, used by the R.C.A.F. to test potentialities of would-be pilots, is an almost exact replica of the real thing in training planes with the exception that it is attached to a fixed base on which it banks and turns, maintains a straight even course or changes direction in response to the person at the controls. Seated in the cockpit the "pilot" wears earphones and mouthpiece through which he receives directions from and can communicate with the director seated at a desk some feet away. An automatic thingummybob traces the "pilot's" course in red ink on a large sheet of paper in front of the flight director.

Ages of the children awaiting their three or four thrilling minutes in the Trainer ranged from a lad so small his head could not be seen above the cockpit to teen-aged girls and boys.

According to the flight-lieutenant who puts the future Bishops of the air through their paces in the Trainer, model airplane enthusiasts seem to get the hang of it more quickly than others. Many of the children, he says, are born flyers with an instinctive feel for the controls. On an average girls show up in the Link Trainer test better than boys because they have a lighter touch. Pointing to a pretty high school girl just stepping out of the Trainer, the lieutenant said, "There goes a potential pilot. She put on a remarkably smooth performance." If the rosy prophecies of post-war flying come true, Young Canada is ready for anything.

The "Reich Raiders" show, of which the Link Trainer is a part, probably will go on to other Canadian cities when it packs up and leaves Simpson's at Toronto.

Cherchez la Femme

Writing in "Nouveau Temps", the official French-language German organ in Paris, under the title "Cherchez la Femme," Etienne Rey lays at the door of French women the blame for the spirit of resistance manifested by the whole population of France.

He says: "I know a fine man of quiet disposition who loves peace above all things, and remains faithful to the marshal. He has no other desire than to live tranquilly in a world gone mad. But happily—or unhappily—he is afflicted with a fiery, exalted, fanatical wife. Well, it's very simple. He doesn't have a moment's respite. He is obliged to eat his meals to the accompaniment of the insults and vociferations of the BBC. At midnight, he is forced to listen to the news, and can't go to sleep without the noise of Soviet tanks; for his wife, naturally is an ardent Gaullist."

Rey adds "If the French bicker, are divided among themselves, if war is at their very door—cherchez la femme."

Admitting regretfully that among them there are women of merit, and even heroines, Rey goes on to say "But whatever the valor of the mediocrity of their feelings, these hysterical women are no less responsible for the state of affairs in France today. Why? I know men who would even go so far as to accuse them of having sown discord throughout France. They may be reproached for having sent their sons to England or to the maquis, and for having prevented the necessary reconciliation between France and Germany by their excessive agitation."

An I for An I

A musician of our acquaintance adds this to the burgeoning collection of Arturo Toscanini lore:

Some years ago at a rehearsal of the London Philharmonic Toscanini, not satisfied with the performance of a passage, lowered his baton and directed the orchestra to begin again at "G". (Scores are marked alphabetically for quick reference to certain passages.)

The temperamental maestro was thunderstruck when a lowly member somewhere in the second violin section presumed to contradict him by saying "I" in a voice audible to everyone.

After a speechless moment St. Elmo's fire played over the heads of the puzzled orchestra. The outraged maestro broke his baton and tossed it to one side. He stamped his feet, threw up his hands and called upon heaven to bear witness if he had ever been so damnably affronted in a long and distinguished career.

They say it took an hour to get the maestro into a state of mind where he could be made to understand that there were many Yorkshiremen in his orchestra and that another Englishman's Yes is a Yorkshireman's Aye.

Book of the Year

This month the Food Industries of Canada are asking our support of a drive for the sale of $2,000,000 worth of War Savings Stamps during the coming twelve months.

For this purpose the Industries have originated the "25 Club" to be composed of citizens who have voluntarily pledged themselves to purchase at least one 25 cent stamp each week. Club members are those who accept a little booklet, now available for the asking in all the grocery stores across the country. Each page is a monthly calendar with spaces for stamps to be attached. A convenient feature is the red rings around dates on which Victory Loan coupons are due—plus the suggestion that the interest be used to buy more stamps.

• •

The School Is The Lever

By STEPHEN LEACOCK

ARCHIMEDES once said, "Give me a place to stand and a lever long enough and I can move the whole world."

We have come to a time when we want to move the whole world, to make it socially better. And I know of a lever that we can use to move it—the school.

Everybody knows that there has gone abroad all over the face of the world a determination to make the world a better place to live in, to abolish the poverty and want. The war has revealed that this place is possible. It has shown us the enormous power of co-ordinated production. We must turn this vast mechanism of death into the maintenance of life.

Begin With the Child

But how do we begin? If we want to make a new people we find that most of us, all but the very young, are already unfitted for the new "class-less" world of our dreams. Some of us had no chance. Some had too much. For some of the brightest minds the doors of school closed with childhood. A life of over-work and under-holidays has battered most people out of their true shape. There is little to love in them at sight, but we can read the meaning that lies in the face that's all wrinkled with furrows and care.

So we must begin with the children, the schools. We must have real schools that mean a beginning of life to the point where an assured step may be taken on firm ground—till a boy of eighteen can say with pride and confidence, "Now, I'm ready. Leave the rest to me."

School education should go on till it's *finished*. Any teacher knows what I mean. It should carry on till it has given a mental training and imparted an orbit of information that is sufficient for the work and leisure of life. College training is a special thing. It is or should be only for specialized purposes of distinct professions or for research and further scholarship or for teaching. The kind of general slush given as general courses for students at college starting with no purpose and heading nowhere is about as nourishing as a bran mash. You might as well put a poultice on their feet.

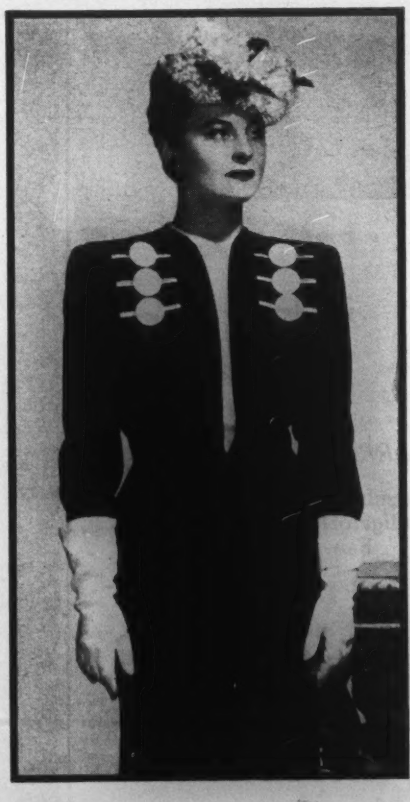
But a real education can be given to boys and girls and be finished at the age of eighteen, provided they are set free from all other work and have all the proper facilities. And this means a long step more than mere teaching. It means medical care, the cult of fresh air and exercise, the use of leisure, the pleasure of entertainment. It should mean free books given for ever to any boy or girl who has earned them with recitations and to be carried away later and kept as trophies of school, as little Iroquois learn to keep a scalp.

I would go further. I would supply school meals, of which one, the midday meal, would be eaten, by custom, in common by the rich and the poor. It would not be "the thing" for rich parents to keep their children from it. I would go as far as I could with the giving of school clothes to poorer children, given somehow, if one could, to avoid the hurt feelings of a charity gift,—and if possible, I would obliterate, at least for a few short hours of school, the social differences of the home. I often think of the good old college gown which was discarded all too stupidly here in Canada at the bidding of foolish people who confounded aristocracy with antiquity and lost from sight the original purposes of the things they threw aside. The college gown covered, for the poorer ones among us, a multitude of patches and made us all, as we sat on the benches of the college of sixty years ago, as equal each to to each as triangles in Euclid.

If I were King—as they used to say,—or if I were society at large,—I would give all this, education, health and sunshine, up to the age of eighteen years or so—and then I would say to the world:—

"Now! Look at these. Try to crush these down to your 'working class' or 'proletariat'! Try to house these in slums or cast them out into unemployment! You can't do it. The world is theirs."

But it is time to begin. It may be later than we think.



All the forecasts are that this will be one of the most suit-able Springs in many years, for the suit is the most adaptable of all wardrobe items—a highly important factor in wartime. Above, a soft dressmaker suit trimmed with large white buttons.

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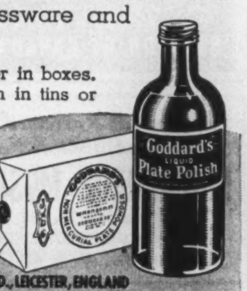
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MUSICAL EVENTS

Sir Ernest MacMillan Presenting Notable Orchestral Novelties

By HECTOR CHARLESWORTH

THE Toronto Symphony Orchestra, this season, despite the absence of a number of the ablest instrumentalists in its former personnel, has been remarkably enterprising in the presentation of new and unfamiliar works. To the leadership of Sir Ernest MacMillan must be credited the fact that the interpretations have been uniformly excellent in tonal quality and in clear-cut expression of detail. In last week's concert (outside the regular subscription series,) the only work with which it was thoroughly familiar was the Tchaikovsky violin concerto, played in co-operation with the brilliant virtuoso, Nathan Milstein.

Two orchestral works of a most distinguished character were played; Sibelius' Seventh Symphony and "Divertissement" by Jacques Ibert. I am not expecting everyone to agree with me, but I liked the Seventh Symphony of the Finnish composer better than any of the many works from his pen that I have heard. In saying so I am not forgetting his little master work "The Swan of Tuonela," — a piece in a complete contrast because it has a story whereas this symphony is pure abstraction, an outpouring of uncharted emotions. Jan Sibelius celebrated his 78th birthday on December 8, last, and how he is getting along during the present trials of his native Finland, the Lord alone knows. His Seventh Symphony was completed twenty years ago, in his 59th year, and may be accepted as the most mature development of his genius, composed at a time when his prodigious vitality was at its peak.

Like the Miaskovsky symphony, heard at one of the last Promenade concerts, it is a reversion to the original symphonic form of 200 years ago,—a work in one movement, carefully balanced in development, and complete in itself. But it says more in this single extended movement, than a great many composers have been able to say in four. Because of its obsolete structure Sibelius at first called it "Fantasia Sinfonica" but came to the conclusion that it was entitled to the more august name of "Symphony". It is compact, and free from all dross; wonderfully varied in mood; beautiful in contrasts; rich in melodic phrases; with a grand swell of emotion from first to last. It strikes one as a composition that would become more and more stimulating with each fresh hearing. It is the type of work that takes a great deal out of a conductor, of whom Sibelius demands continuous concentration and fervor. Sir Ernest rose to the occasion magnificently and carried his musicians with him.

There could have been no more delightful contrast than "Divertissement" by Jacques Ibert, brilliant, merry, fresh and distinguished in style. Ibert was born in Paris in 1890, just when the French school of impressionism founded by Debussy was coming to birth. His chief associates when he was a student at the Conservatoire were Honegger and Milhaud who have also risen to fame. He served in the French navy during the last World War, and celebrated the peace by winning the *Prix de Rome* with a cantata "Le Poete et la Fée." When the present war broke out he was Director of the French Academy at Rome which has much to do with the administration of that historic award. Strangely enough few of the scores of young composers who have won the *Prix de Rome* instituted by Napoleon in 1803, have attained subsequent fame. Nevertheless the brotherhood has included Berlioz, Gounod, Bizet, Massenet, Debussy, Charpentier, Marcel Dupre and Ravel, who refused it. Ibert's first major orchestral work was a tone-poem founded on Oscar Wilde's "Ballad of Reading Gaol" and he has composed other unique things including a little opera, "Habanera" which I once saw at the Metropolitan. "Divertissement" is one of the most urbanely amusing suites ever written for orchestra. One is tempted to strain language and term it "witty". The movement entitled "Cortege" is certainly that, since Ibert adopts a bantering attitude toward the pompousness usually allied with the term. There are a Waltz, a Nocturne and a Parade all possessing melodic invention and gaiety characteristic of Offenbach and other musical revellers of the Second French Empire. It was rendered with infectious grace and gusto by conductor and orchestra.

The Concerto

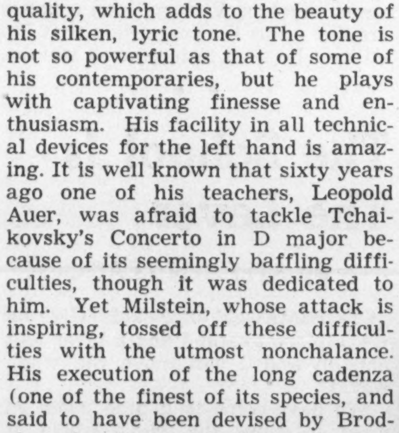
Nathan Milstein the violinist is deceptively youthful in appearance considering his forty years. He is a Russian, born in Odessa, and a pupil of the two finest instructors of his childhood, Auer and Ysaye. Most of his life since he was 25 has been spent in America, and artistically he seems to grow with every fresh appearance. He happens to possess a Stradivarius instrument of very fine quality, which adds to the beauty of his silken, lyric tone. The tone is not so powerful as that of some of his contemporaries, but he plays with captivating finesse and enthusiasm. His facility in all technical devices for the left hand is amazing. It is well known that sixty years ago one of his teachers, Leopold Auer, was afraid to tackle Tchaikovsky's Concerto in D major because of its seemingly baffling difficulties, though it was dedicated to him. Yet Milstein, whose attack is inspiring, tossed off these difficulties with the utmost nonchalance. His execution of the long cadenza (one of the finest of its species, and said to have been devised by Brodsky who first made the work famous,) was masterly, especially in the thrushlike rendering of harmonics.

Owing to exigencies of travel he was unable to rehearse with the orchestra before the concert, but its members have played the work for so many other celebrities that this was no handicap. It was different with the Bach Concerto in A minor, a notable example of sustained and buoyant melody. It is a work so ingratiating that a touch of timidity in handling, offered no real drawback to one's enjoyment. Encores are not usual at these concerts but the audience was so insistent after the Tchaikovsky number that Milstein responded with a Paganini concerto, which was, so to speak "right up his alley," in respect of tonal individuality and technical address.

Lucille Manners

Many of the singers whose fame and popularity have been based on radio prove disappointing on the concert platform, but Lucille Manners is an exception. She has a fair and winsome presence, backed by a voice of true and well governed emotional quality. It is a mezzo voice of considerable range, and its chief appeal lies in the warmth and sympathy of its lower tones. Her ease in production and entire freedom from affectation are refreshing. At her recital in Eaton Auditorium last week she carried on under difficulties. It was the only occasion within my experience when a singer had to take time off in the middle of a program for dental treatment. In her very first number a repaired front tooth broke apart and was in danger of choking her. Nevertheless she sang several numbers including a group of Herbert Hughes' arrangements of Irish folk songs with fascinating expression. After the tooth was patched up, she sang a Mozart's aria from "Figaro" with satisfying mastery of legato. In two florid songs by Sibella (a composer unknown to me, but a good one) and Tosti's rippling barcarolle "Marchiare" she was very effective. Miss Manners' simplicity and sincerity make her rendering of old sentimental ballads memorable.

Recently in writing of a young Montreal soprano who has been winning laurels with the San Carlo Opera Company, the writer made a slip and called her "Mary Hamilton." It should have been Mary Henderson. She was trained by the once famous prima donna, Pauline Donalda, now resident in Montreal. Madame Donalda by the way, is very busy preparing a local production of Rimsky-Korsakoff's "Le Coq d'Or" which will be conducted by the famous Russian maestro, Emil Cooper, formerly of Moscow, and latterly of the Chicago Civic Opera.



Dr. Henry E. Sigerist, international authority on socialized medicine, will speak in Convocation Hall, Feb. 7, at 8.30 p.m., on the subject, "Medical Care for all the People", under auspices of the Health League of Canada.

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FILM AND THEATRE

Hollywood Mis-casts Bette Davis And Takes a Look at Writers

By MARY LOWREY ROSS

I KNOW there are thousands and thousands of people who look on Bette Davis as the greatest living actress of stage or screen; that there are thousands and thousands more who will regard "Auld Acquaintance" as a brilliant and searching commentary on feminine behavior, and that it will probably run till the print drops in tatters. I know too that it is a waste of good newsprint in wartime to suggest that Miss Davis, whatever her talents in other fields, is not a comedienne, that "Auld Acquaintance", an indifferent play to begin with, has been so tirelessly hammed-up by the two stars that it becomes an embarrassment to watch, and that this mild protest will probably draw infuriated letters of protest to the long-suffering editorial department.

Just the same, I stick by me. "Auld Acquaintance" is a long, dull, hysterical bore.

To get down to cases, the play is about two lady novelists (Bette Davis and Miriam Hopkins) engaged in a life-long enmity which, on the screen, passes rather mysteriously for feminine friendship. Miss Davis is a "thoughtful" writer, at once profound and elevated. (To give you an idea, her outstanding work is entitled "The Buried Soul", a great *succès d'estime,* but no seller.) Miriam Hopkins, on the other hand, writes nothing but rosy-scented tripe and nobody reads her but the public. Miriam gets all the royalties, but Bette gets all the critical applause. On the other hand Miriam has a handsome husband and a beautiful daughter, while Bette lives isolated in her lonely genius. It is obvious that the two ladies must have a natural and spontaneous loathing for each other, but the story can't afford to admit that. If it did it would find it difficult to explain the high-mindedness of Bette's behavior when she moves in on her friend and appropriates the affections of her husband and daughter.

If "Auld Acquaintance" had been played in the knock-down-drag-out fashion of "The Women" it might have been fairly entertaining. It would have helped too if the stars had been content to play it for comedy and had thrown away the occasional line instead of hanging on to it with their teeth. (Most of the lines in "Auld Acquaintance" richly deserved to be thrown away. It is full of such resounding phrases as "A woman's intuition is truer than a man's", and "Have you gone stark, staring mad!" and such arch approaches as "A penny for your thoughts!")

It might have been comedy of a sort, though not the best sort. Unfortunately however the stars elected to play it big. They are both extraordinarily intense girls, and Miss Hopkins fills the screen with soprano tantrums, high volatile motion and waving chiffon scarves, while Miss Davis presides over every crisis with oppressive unshatterable rectitude. Even when she shakes her friend's hair down she does it with deliberate unnerving calm and the air of virtue vindicated but never for a moment vindictive.

There is a growing tendency on the part of Miss Davis's backers to build her up into another of the screen's Ideal Women. But there is something in Miss Davis herself that seems to resist the treatment. She appears to approach a rich womanly role with her intelligence, which is obviously acute, rather than with her heart and instincts. The result is a sort of blackboard rectitude which may be admirable but is far from lovable. I find I like her best in films which show her feminine nature at its worst. When she is bad she is very very good. It's when she is good that she is horrid.

WRITERS appear to fascinate Hollywood, though it obviously knows very little about them or their curious and nerve-wracking working habits. "Jack London" which purports to be the biography of the writer, tries hard to live up to its manly subject and coasts along for a while on some sketchy biographical data and the rather rudimentary acting of Michael O'Shea. After that it breaks down completely and frays out into anti-Japanese propaganda so obviously contrived that it is impossible to take it seriously. Quite a lot of his screen biography, I imagine, would come as a big surprise to Jack London.

"GUADALCANAL DIARY" is a painstaking attempt to reconstruct the Guadalcanal campaign from the records set down by Richard Tregaskis in his best-selling war book. Much of it undoubtedly is factual but Hollywood has stylized it in its own unmistakable fashion so that it comes through as studio reproduction rather than as a genuine reenactment. It is a more frankly brutal picture than either "Bataan" or "Wake Island", and to that extent more revealing of the terrible story behind it. But the fear, the desperation and the comedy are all familiar to us by this time, and familiar, to the point of routine, through Hollywood telling. You can learn through the film something of what the men faced at Guadalcanal. But you will learn very little of what they actually felt. William Bendix, Lloyd Nolan and Preston Foster are all involved. You know exactly what to expect of them, and are never misled.

Fiesta Very Majesta But Could Stand More of the Besta

By LUCY VAN GOGH

THE theatre is evidently destined for some time to be the scene of a lot of experimentation. I don't understand the details, but apparently the United States income tax has something to do with it. If you have too much income, and the tax-collectors are taking a large part of it, you can lose some of it in a theatrical production and they will not take so much. If you spent it on a yacht or on pearl necklaces for wifey they would not let you off a cent, but shows are supposed to be a "business loss."

The "Fiesta" of Mr. Vincent Youmans, now at the Royal Alex., is highly experimental. Ballet, under the leadership of the enterprising Mr. Hurok, has been getting more like vaudeville with each succeeding year, but "Fiesta" has gone all the way, and fills in the blanks for the changes of costume by means of singers, a puppet dance, orchestra items and so forth. The result did not impress me as making for a consistent and impressive performance.

The ballet production is lavish in all respects except that it has no really great solo dancers; and ballet without great solo dancers is a good deal like opera without great singers. Ivan Kirov, a brilliant master of acrobatic dancing, was the star of the first of the two classic numbers, Rimsky-Korsakoff's early "Antar", which is not too poetic anyhow and gained little poetry from his tremendously athletic performance. This was a Leonide Massine choreography, and so was the other classic number, the "Daphnis and Chloe" of Ravel, in which Kirov again performed as *Pan* and Alexander Iolas was a moderately distinguished *Daphnis.* Neither ballet made much appeal to the imagination on the Monday evening when I saw them, but that may have been partly because of the exhaustion of all participants after the process of getting the show on the stage; it opened at 9.45 instead of 8.20.

The third Massine number, a comic ballet based on old English caricatures by Rowlandson, was far the most successful thing of the evening. The music is by Ernesto Lecuona, who also did that of the three more modernistic ballets devised by Eugene Van Grona which completed the dance program. He is an excellent orchestrator and his music fits the stage movement very well, but it does not attempt the richness of the greater composers. In the three other items the pleasure of the audience was greatly enhanced by Toni and Mimi Worth, duo dancers, but their performance is strictly vaudeville dancing,—clever and expressive, but not organized into a coherent relation with the rest of the ballet.

An excellent 55-piece orchestra overflowed into the boxes and stalls, and was admirably suited to everything except the Ravel, the delicacy of which was beyond its reach. Nestor Chayres is a good Mexican tenor and Olga Coelho a good Brazilian soprano who does her own guitar accompaniment. The name of the puppet-dance artist did not appear on the program. My feeling about the whole thing is that of a man whose hostess has just fed him a cocktail from a new recipe of her own invention, and who wonders whether a different mixture would not have been better, without questioning the excellence of the materials.

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PERSONALITIES UNLIMITED

Her Name Is Legion Yet She Is The War's Forgotten Woman

By MARGARET AITKEN

THE subject of this story is indeed a personality—unlimited. She is tall and short, slim and fat. She is pretty and not pretty. She lives in Halifax, Montreal, Ottawa, Toronto, Winnipeg, Vancouver or Victoria. She is the forgotten woman in this world at war.

The personality I have in mind is the soldier's wife. Not the soldier's wife working in a war plant or in the uniformed services but the woman who has stayed at home to look after two, perhaps three children. Unlike the war workers and service women, who have been lauded from coast to coast for their patriotism (and quite rightly so), this woman has had none of the excitement of war and all the drudgery. Day after day, within the four walls of her home she has done the same things, seen the same people—her children, her neighbors and her tradesmen. She has been completely enmeshed in a morass of stagnating boredom and through it all she has persevered with determination and with the minimum of complaints.

Portrait of a Woman

Let us take this personality and pin her down on paper.

She is in her early thirties. Pretty, but not as pretty as she was in 1939, nor as gay and light hearted. She is changed — a little harassed perhaps, and certainly serious, worried looking. There is not the same carefreeness in her laugh nor the same sparkle in her eyes. She is still chic, still well-groomed because it is her nature to be so but the enthusiasm for smart frocks and silly hats is no longer there. In her eyes is the hurt look of a little girl who sees others having fun while she must remain indoors.

She is intelligent and bright but not clever and maybe that is one of her greatest assets. It was Sir Thomas Beecham who said: "Never before has the world been so full of clever people and never before has the world been in such a sad state."

Before the war she played a first rate game of bridge, mediocre badminton and she read the best of modern books. Biographies were her favorites. She went to the movies, perhaps once a week, and the theatre too, when there was a good play on. She used to go dancing quite often and she met her friends at tea parties.

Her husband was earning a comfortable income. He was in business for himself — insurance, brokerage, real estate. They had a charming home, with plenty of room for their expanding family. They had a car, membership in a couple of clubs. They had freedom from want and freedom from fear. They had health and happiness, security and a long, clear vista ahead of mounting prosperity.

Then came war and in its wake the most devastating domestic upheaval in this home of well-to-do comfort.

The young husband steps out of his office, leaving a stenographer or a secretary to carry on alone, and goes overseas to fight for the freedom he has enjoyed. The wife stays at home—not in the home she has loved and cherished because it is too expensive to keep up on a lieutenant's pay—but in a small, cramped flat. She gives up her car and her maid. She gives up her club memberships. The one-man business disintegrates. The family income is drastically cut. The vista ahead is no longer clear nor prosperous.

Perchance at this stage in our personality sketch the reader will say: "So what? With all the suffering in this war, with the destruction and fear and loss of limb and life, must our sympathy go out to this woman who still has food and warmth, shelter and safety?" It is true my personality has all these things but she has also loneliness and that deadening force called boredom—day after day, week after week, month after month.

Let us look at her day.

She rises early. She prepares breakfast—the same breakfast day after day. Perhaps the oldest child goes to school. She gets him ready and sends him off. She washes the dishes, makes the beds, dusts and cleans. Then it is time to put the two younger children out for their morning play. She dresses them—leggings, sweaters, coats, galoshes, mitts and all the other cumbersome rigging that children wear. They are outside five minutes and our heroine has just settled down for a mid-morning cup of coffee and a glance at the morning paper. The inevitable happens. "Mummy! Mummy!" There's no ignoring that cry. When you have to go you have to go and bundled-up Junior has to go!

Life Without Variety

And now there's lunch. The preparation of food, the eating of food and the washing of dishes—always dishes. For a couple of hours in the early afternoon there is peace but not relaxation for the heroine of this piece. She is still confined to her own four walls. She still has a job to do. She must wash clothes or sew or iron the clothes she has already washed. Next comes afternoon play time for the children and tea and dishes and bed. Then what? Silence and a long, lonely evening ahead for the mistress of the home. She is too tired to read, too tired to think but not too tired to write a bright, chatty letter to her man overseas.

Compare such a day with that of a war worker, a service woman or an office worker and then tip your hat to this uncomplaining heroine of war. There is no variety in her life, no mental stimulation and no people. Next to her husband, that, above all else, is what the soldier's wife misses. She misses the stimulating influence of other people's minds. She misses male companionship and the male point of view. She misses people.

In this busy, fighting world she is forgotten. Her worries and troubles —Junior's tonsils, the rising cost of living, rationing—are so seemingly insignificant that she hates to talk about them but she never gets away from them. It is my contention that her job is just as important to the future of Canada as is that of her be-slacked sister or even her fighting husband. To resurrect a World War 1 phrase, she is keeping the home fires burning, this forgotten woman.

Nicest Thing About a Dentist Is That You See Him So Seldom

By BABS WARNER BROWN

THE day the family goes to the dentist dawns bright and clear. It always does. There is never an impenetrable blizzard, you didn't manage to break a leg, the children haven't developed cholera. Your stomach awakens with the impression that your throat is going to be cut. You think of all the unhappy people you would rather be than you—like the man who papers the inside of lighthouses or the lady who sells nylons on commission. You would be willing to change places with any of 'em, provided they didn't have an appointment with their dentist.

Terrified that the Brace (of offspring) will be infected with your own cowardice there begins at dawn and lasts until the zero hour one of those asinine conversations designed to keep up morale—the "Fun-what-fun-today's-the-day-we-go-to-the-dentist!' type of thing. It's about as convincing as a Goebbels newscast, as dated as a Benito pout. Pre-dental jokes are a little like those made at the receiving end of a gun—a sort of last mile humor.

Plan of Attack

The Brace penetrate this lather of camouflage with a sublime directness. "Will it hurt?" they ask. You are then on the horns of a dilemma. If you say, "Yes, my little pets it will hurt like hell!" you will no doubt achieve the continuance of your children's confidence but not their presence at the dentist's. The alternative of course is, "Hurt? Good gracious no! Dear Dr. Blank is just going to look at your nice shiny teeth to see that everything is—er—nice and shiny!" If dear Dr. Blank should discover a cute little cavity a hitherto beautiful parent-and-child relationship is apt to become slightly strained. Such a condition, coupled with the recent discovery that there is no Santa Claus, may lead to the more or less accurate conclusion that Mother is in the regrettable habit of lying like a Persian rug.

The happiest solution is to take the emphasis right off the dentist by dwelling on some pleasant event further on during the day, such as the advent of the candy-giving uncle to tea or the absence of the advice-giving cousin at dinner.

Time flies on winged feet—another phenomena on dentist days—and as soon as the Brace comes home from school you set out for that Emporium of Pain otherwise known as the Medical Arts. The magnificent pile (joke unintended) is still there. Unfortunately no adventurous Mr. Tartu has left time bombs around in the pipes, no over-zealous road-widening squad has torn the thing down since you made your appointment. Most wretched of all—after consulting Inquiry—Dr. Blank is found to be most definitely in and waiting—not to say lying-in wait.

The pillared and mirrored vestibule does absolutely nothing to relieve your aversion to the whole building, the architect and the architect's mother. The elevator leaves what is left of your stomach—after its throat-cutting fixation—on the main floor. The last mile humor becomes more and more pronounced—"Goody, goody, we're nearly there!" and as you reach the Doctor's lair, "*Here* we are! What a *nice* office!" You are met by a nurse whose face, no matter how charming on other occasions, looks, as Reginald Gardiner puts it, like a mug of grade C milk.

Dr. Blank, of course, simply hasn't got a face at all.

The children trot into the chamber of horrors first and generally get off pretty lightly. You are left clutching the Dental Journal 1938-39.

See Mother's Molars

When it is your turn Dr. Blank, exhibiting a warped sense of humor, permits the little ones to hang about while he looks at Mother's molars. You then experience the added strain of having to turn every "ouch" into an exclamation of surprise for the benefit of the Brace.

Dr. Blank, who besides being faceless has now become nothing more than a voice behind the drill or the sneer above the scalpel, carries on one of those amazing monologues favored by dentists the world over. He fills your mouth with wads of absorbent cotten, bits of rubber hose, metal clamps and other odds and ends kicking about his office and then invariably asks you when you think the war will be over.

"Glug glug prumff!"

"Well, I hope you're right, Mrs. Brown!"

"Hurrumph ug!"

"Yes, the invasion should come any day now!"

"Uggle *uggle*!"

"Is that *so*! Well, what do you know! Sit up and spit please!"

The really marvelous thing about Dr. Blank is, of course, that you only see him twice a year.

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2 cups sifted flour
4 tspns. Magic Baking Powder
½ tspn. salt
2 tbspns. sugar
½ cup chopped nuts, any kind, or raisins
4 tbspns. shortening
⅔ cup milk (about)
1 cup molasses
¼ cup water

Mix, sift first four ingredients. Cut in shortening until mixed. Slowly add milk to make soft dough. Roll ½-inch thick on lightly floured board; sprinkle with ¼ cup nuts. Roll as for jelly roll. Cut in 1-inch slices. Mix molasses and water and pour into well-greased layer cake pan. Sprinkle with remaining nuts. Place biscuits on top, cut side down. Bake in hot oven (425°F.) about 35 minutes. Turn out immediately. Makes 10.

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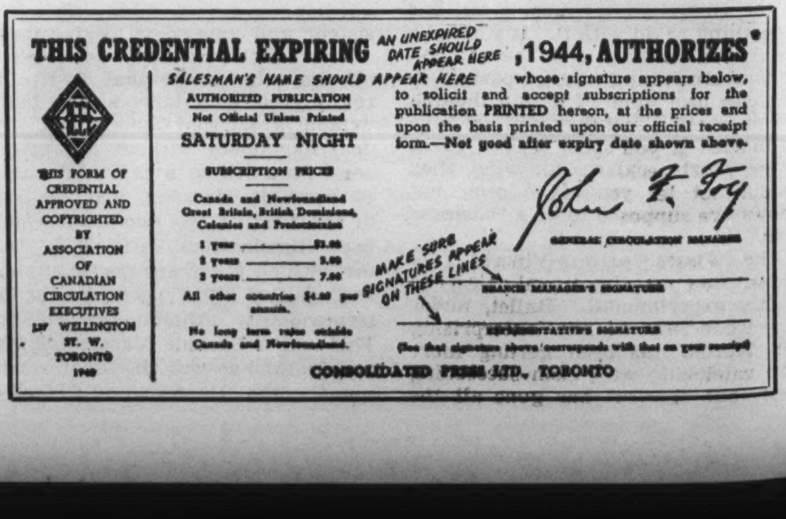

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THE FEMININE OUTLOOK

Is the Church Justified In Its Rejection of Divorce?

By THE VERY REV. W. R. INGE, D.D.

THE Attorney-general of Great Britain has just stated in the British House of Commons that 7,645 decrees were made absolute in 1942, and 9,210 to November of 1943.

The large majority of these couples were married in a church or chapel.

The vow which they then took "in the sight of God" was not a declaration of love or passion, but an unconditional promise of life-long fidelity.

It is the most solemn covenant ever entered upon by man or woman, and one might suppose that the deliberate violation of it would exclude the offender from decent society. Social ostracism was the penalty in the nineteenth century, but now it is plain that public opinion increasingly condones marital unfaithfulness.

Without raising the religious question, which bristles with difficulties, we may surely say that those who do not wish to pledge themselves unconditionally ought to be content with a register office. Then if they form another attachment their sin will not be aggravated by a grossly dishonorable breach of a solemn covenant.

For Christians the question arises whether the Church is right in demanding an irrevocable promise. In other words is marriage indissoluble for all followers of Christ? The subject is far too large for discussion in a short article. I can only mention briefly the questions which have to be answered.

Adultery

Did Christ forbid divorce absolutely? In two passages of St. Matthew, alone of the evangelists, there is an exception—adultery. Is this an interpolation? Most critics think it is; but if so, it was added very early, for the exception is referred to by Theophilus (about 180), by Tertullian and Origen, and it has been admitted into the canon as authentic.

What does the Greek word translated "adultery" mean here? Certainly not the discovery of pre-nuptial unchastity. The Aramaic word used by Christ (if He did speak the words) was, I am told, probably a rather vague term meaning immodest behavior.

Was Bishop Gore right in saying that though Christ was a prophet, not a legislator, on this one occasion He did mean to legislate? He undoubtedly meant to uphold a higher ideal of marriage than any of the rabbis and astonished His hearers by doing so. By the will of God marriage is indissoluble. Whether He would have made any concessions "for the hardness of men's hearts," as Moses did, we cannot say; but apparently not.

If the exception is interpolated, is it possible that Christ regarded the right of divorce for adultery as too obvious to need reaffirmation, especially as adultery was a capital offence by the law of Moses? I think not, otherwise the surprise of the disciples cannot be explained, and the death penalty for adultery was probably never inflicted, in spite of the story of the woman taken in adultery which has been interpolated into the Fourth Gospel.

Does the exception allow only separation without leave to remarry? This, I believe, is the view taken by Roman Catholic writers. But separation without leave to remarry was unknown to Jewish and Roman law. There was, however, a prejudice against all second marriages in the early Church.

Interpretations Vary

St. Paul allows mixed marriages between a Christian and a pagan to be dissolved.

The Eastern Orthodox Church allows divorce not only for adultery, but for high treason, attempt on the life of the partner, insanity and leprosy.

The Reformers mostly favored divorce for cruelty and prolonged desertion.

The Roman Church does not recognize divorce but—to quote from an Anglo-Catholic commentary generally favorable to that church—"while nominally adhering to the Dominical laws it has often permitted divorce in practice by declaring marriages from the first invalid and that on preposterous grounds."

The Lambeth Conference advises the Anglican clergy not to refuse the sacraments to the innocent party who has remarried but on no account to give the blessing of the Church on such marriages.

Public Opinion

The rule in fact has proved too strict to be followed without some accommodation. The Christian Emperors of the East added a long list to the Church's grounds for divorce, including going to evening parties without the husband's leave and mixed bathing.

Secular legislation must be in accordance with public opinion and lay public opinion holds that there are other conditions which may make marriage more intolerable even than occasional infidelity. Hard cases make bad law, but it is a bad law which multiplies hard cases. Two cats tied together by their tails are not exactly "a symbol of the unity which subsists between Christ and His Church". Nevertheless since as a nation Great Britain has not repudiated the ethical principles which have been accepted by the civilized world for 1500 years, the State has the right to stigmatize adultery as a disgraceful offence and in my opinion to forbid the marriage of an adulterer with his or her paramour.

There is no reason why we should give in to a fashion which has not been approved by the masses in our population, a fashion which would degrade us far below the best pagan morality. The seventh commandment was not invented by Queen Victoria.

Who Are His Friends?

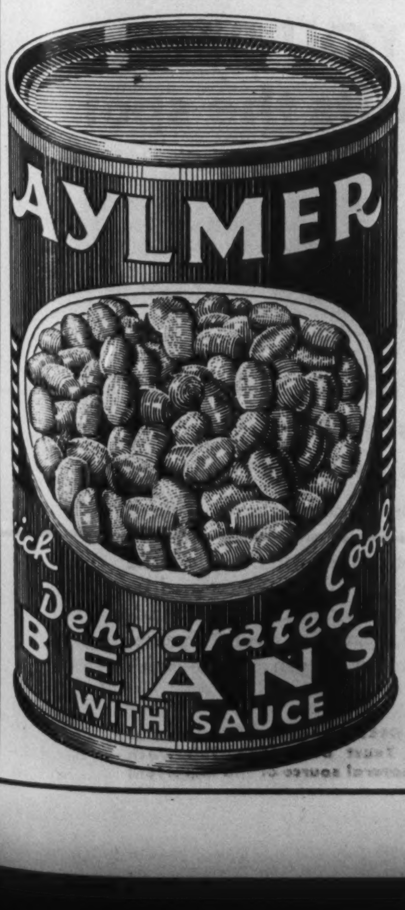
The notion that most marriages are unhappy is grotesquely untrue, but there would be many more unhappy marriages if husband and wife did not know that they have to make the best of each other. An American doctor asked a hundred married men and the same number of married women whether they regretted their marriage. A hundred and thirty said No; only twenty-eight said Yes. Normally, marriage is the best thing in human life, and goes on getting better and better.

One is almost ashamed to discuss the degrading theory, now too often expressed, that physical attraction is the only legitimate bond between man and woman. Wastermarck, who was not a Christian, says truly, "In a young person's first love this desire is often completely absent, and when this attraction has ceased to be felt, the spiritual effect may still remain unabated." Montaigne even says, "I see no marriages which sooner fail than those contracted on account of beauty and amorous desires." Disraeli was no doubt exaggerating when he said that "all my friends who have married for love and beauty either beat their wives or live apart from them."

What advice should I give to a young man and a girl thinking of marriage? (I have said this before.) Choose a girl who has nice women friends, and a man who is liked and respected by other men. Never mind what your own sex thinks about him or her.

The increase in divorce is a terrible thing. I pray God that the plague may not spread further.

When the fashionable belle of some six decades ago ventured near the water, she bathed in an outfit similar to that at the left. Her companion wears a Hollywood sequin-spangled version of today's swim suit.



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Find SATURDAY NIGHT in a home and there you will also find reasonable thinking, well informed people—the type who are eager to study any viewpoint—even though at variance with their own—as long as it is sincerely concerned for the general welfare, strength and unity of the whole Dominion.

CONCERNING FOOD

Take the Bitter or the Sweet for the Commoner's Breakfast

By JANET MARCH

UNLESS you have a vast family with an equal number of D coupons you can't follow A. A. Milne's classic advice in "The King's Breakfast"-

> "Many people
> Think that
> Marmalade
> Is nicer.
> Would you like to try a little
> Marmalade
> Instead?"

Well, the King may only be allowed marmalade or butter but round these parts the combination of butter and marmalade is considered an essential part of breakfast. No doubt

> ". . marmalade is tasty if
> It's very
> Thickly
> Spread."

If you do this the bottles vanish too fast and you are left with never a coupon for maple syrup or molasses or any of those choice extras. The only solution, if you've been careful of your sugar coupons, is to get to work and make some marmalade and then you'll be able to watch the family at breakfast without mumbling ominously about the dates when 12 and 13 come due.

There are marmalade oranges in the shops now. They don't look exactly like the Spanish ones you used to get in pre-war days and they are considerably juicier and less spongy, but they make marmalade which is just as good as any pre-war vintage. The only trouble is that it is so good that it gets eaten up with alarming speed. Those oranges are sold by the pound and vary considerably in size. I'm told on rather poor authority—I always wish my authorities were as good as the news columnists'—that these oranges grow wild in the Florida swamps and that picking them presents considerable difficulty. I imagine that snakes, flamingos and other extensive wild life of Florida have all been braved to grace my breakfast table, but at least no one so far has discovered any bombs in them.

If you belong to a family which owns a community orange cutter you are lucky. We have one which is passed round and then when marmalade time arrives you practically have to hire a private detective to discover who had it last and just where it is lurking. The linen cupboard was mysteriously discovered to be its resting place this season.

Once you have found the cutter you can be sure of finely sliced rinds and if you are not careful you can do a good job on your forefinger too. You whirl the blade with one hand and press a bunch of rinds against it with the other and accidents have been known to happen; still, anyone would risk this rather than sit shaving rinds hour after hour. It is very advisable to pick an evening on which your favorite radio programme takes place, because if you do it in the afternoon you may get too depressed with the series of misfortunes which assail the heroines of the soap box operas.

Here is the tried and true family recipe which you will like if you like bitter marmalade. It takes a lot of sugar, and I haven't tried reducing the amount, which may be possible, particularly for adults who have not got an excessively sweet tooth.

Bitter Orange Marmalade

6 bitter oranges
2 sweet ones
3 lemons
8½ pounds of sugar
3½ quarts of water

Take the seeds out of the oranges and lemons and put them in a bowl. Squeeze the extra juice into the crock of the preserving kettle or whatever you are going to use to soak the fruit in. Then take a sharp edged spoon, one of those oldish tin kitchen ones is best, and scrape out the centre of the fruit going just as near to the rind as you can. If your spoon is good and sharp you can get this pulp out in one piece. Then cut it up with a sharp paring knife into small pieces and add it to the juice. Shred the remaining rind as finely as you can and add it too, and then pour on the cold water and leave to stand over night, or for a day if that suits you better. Pour a pint of boiling water on the seeds and leave them to stand over night by which time the water will have turned into quite a thick jelly. When the fruit has soaked boil it for three hours. Then add the sugar and the jelly from the seeds by rubbing through a sieve and boil for half an hour after it comes back to the boil. Then bottle. Before bottling test to see if it will jell. Don't boil it for too long though, or you will get very dark marmalade instead of that nice amber colour.

Lots of people like marmalade made with sweet oranges.

Orange Marmalade

4 oranges
1 lemon
12 cups of water
4 pounds of sugar

Prepare the fruit in the way first described or, if you are in a hurry and don't mind lumpy marmalade, put the fruit through the mincer. Cut the oranges and lemons in half and take out the seeds and put boiling water on them. Then put the fruit through the mincer. Let it stand at least 12 hours and then boil for two hours adding the sugar and jelly from the seeds. Then boil another 45 minutes and bottle.

Grapefruit Marmalade

1 grapefruit
2 oranges
1 lemon
2 quarts of water
5 pounds of sugar

Take out the seeds and scrape out the pulp and cut it up and then shred the rinds, add water and let stand overnight. Boil the next day for two hours, then add sugar and boil another half hour.

• •

Blue Plate Blues

By WEARE HOLBROOK

MRS. BEEPWOOD was more than a wife to Mr. Beepwood. She was a Pal. She used to accompany him on his fishing trips and even joined him in kelly-pool games with the boys from the office—that is, until Mr. Beepwood gave up fishing and playing pool.

Mr. Beepwood was conscious of her camaraderie even during the days of their courtship. She had a habit of plucking the cigarette from his lips, taking a few puffs, and then returning it to him with a gay little gesture of gratitude. At first Mr. Beepwood thought it was kind of cute, although he didn't like the taste of lipstick on his cigarette. Later he tactfully presented her with a dainty gold case, full of cigarettes. But she wouldn't take the hint. Instead she preferred to continue taking his cigarettes. Mrs. Beepwood was a confirmed co-operative smoker.

She was also a co-operative eater. In restaurants, the food on her husband's plate always interested her far more than her own. "Mm-mm—that looks yummy!" she would say in her wistful little-girl manner. "Do you mind if I take just a wee smidgin?" And away would go the choice bit of filet mignon that he had been saving for the last.

Even at home she was always making darting little forays on his butter, or his mint jelly, or his Roquefort cheese—explaining that she just wanted to "come out even." And at breakfast she often playfully dunked her toast in his coffee, leaving a pattern of crumbs and bubbles that would have delighted a gypsy fortune teller.

But it was her co-operative drinking that really got Mr. Beepwood down. At parties, she invariably protested, "Oh, don't mix anything for me! It goes right to my head." Then, just as her husband was about to polish off a nice tall highball, she would say, "I'll take just a teensy-weensy sip of yours, darling."

And She Sipped

Mr. Beepwood noticed with envy that other wives frequently gave their unfinished drinks to their husbands, as extra dividends. But all he ever got was his own glass back, half empty.

All in all, Mr. Beepwood had a pretty thin time of it. And when he considered the future, it looked bleak indeed. He could see nothing ahead but an unending vista of lipstick-stained cigarettes, crumb-flecked coffee, and secondhand highballs.

It was in one of these black moods that Mr. Beepwood decided to end it all. Tiptoeing into the kitchen, he took from the shelf a bottle of powerful insecticide labeled "Poison" and poured it into a tall glass of ginger ale. It turned the ginger ale a bright green, "At last," muttered Mr. Beepwood, "this is one drink I'm going to have all to myself!"

But as he lifted the glass to his lips, a light step sounded behind him and he heard his wife say, "Mm-mm—that looks yummy! Could I have just a teeny sip?"

Mr. Beepwood hesitated and then handed her the glass. "By all means, my dear," he said grimly. "Help yourself."

"Thanks a lot, darling," said Mrs. Beepwood, tilting the glass.

"Don't mention it," said Mr. Beepwood gallantly.

Mrs. Beepwood never did.

Tropical flowers and jungle animals are printed on this cotton frock with buttoned closing far to the left. Top has bib effect contrasting with solid color back, sleeves.

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57 VARIETIES
57

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THE OTHER PAGE

Incident in Vienna: A True Tale of a Young Refugee

By J. G. SIME

I WANT to tell the following incident as directly as I can. It needs no comment from me. It took place in Vienna, when I was walking along Vienna's principal or most fashionable street, the Kaerntnerstrasse. I was at the point where this street is intersected by the Graben, for I had just come out of Gerstner's, the famous tea-shop with its red-plush-covered couches and chairs and its air both of modernity and of being away back in the 'eighties or 'nineties, and I was standing by or rather walking past the dress-shop immediately beyond it. I always used to wish, when I passed the window of that shop, that I had money enough to go in and buy one of the beautiful dresses that were displayed there—a dress that would look forever after just like Vienna. But on the evening of which I am speaking I could not have said if that shop was even there.

It was growing dusk. The season was autumn. I am not sure now if the spire of Vienna's beautiful cathedral, the Stephanskirche, is actually visible from the spot on which I was standing but I certainly *seemed* to see it from there, very clear and simple and straight. There is no church anywhere, I think, that is so lovable as St. Stephan's. The children of Vienna have even a pet name for it.

I was walking behind a girl dressed in black, a quick walker with a light step. She moved, however, in a furtive way (that has, I fancy, grown very common in all the occupied countries) and I could see that she was afraid. She was hurrying in case anything should "happen".

I thought, "Is it possible that Vienna was ever *gay*?" This was in the October of 1938 and many dreadful things had happened by then.

As I walked after the girl I began, as one does, to speculate about her. Her figure was so graceful that I wondered if her face was pretty; one is so often disappointed when one catches up with a graceful figure and turns to look at the face that belongs to it. I had just said goodbye to another young creature, one whom I had been on the point of taking away with me across the ocean so as to rescue her from the dangers she was living amongst. This girl had, at the last moment, when I had her papers all ready and she and I were on the point of leaving, given me the unexpected news that she couldn't come, *couldn't come*. She had fallen into the madness (or is it into the sanity?) of love, and she could not leave the man. I was coming back from hearing this, very sorry, very heartwrung, for I had grown fond of the girl, who had helped me in my work for almost a year. But there it was. I would have to leave alone.

I watched the girl hurrying before me—when suddenly she was stopped. She was stopped short by an S.S. man, a tall upstanding fellow. She turned sideways when he stopped her and stood looking up at him, very frightened. And I saw that she was a Jewess, a Jewish girl like the one whom I had hoped to rescue. I stopped too, a little behind the two of them, looking and listening.

I COULD hear the sound of their voices, or rather the sound of his voice, but not what he was saying. The two stood out against St. Stephan's spire, or at least they are connected with St. Stephan's spire in this remembrance of mine: they stand out in my recollection like something *cut* into me. Have you memories like that, and are they quite different from the surface memories that we all carry about with us? It was somehow beautiful, because he was such a great fellow, upstanding and handsome in his elegant black uniform with black cap and his black boots, and she was so lovely, such a picture of a graceful Jewish maiden: and the spire of the great cathedral—how am I to say this?—seemed a symbol not of this but of another world. One had the feeling, for a moment, that something had stopped, like a watch that has suddenly ceased to "go".

There were people walking round the young man and the girl, but they were used to such incidents and kept a little aloof, not wishing to be involved in any trouble. The two were alone—with the spire, and then suddenly another figure had joined them. It was the figure of a woman; she stood there, facing me, while the Storm Trooper and the Jewish maiden were in profile to me.

I asked myself where this third figure had come from. I had not seen her approach. She had not walked to where she stood. She had *appeared*. Nothing had been there but the man and the girl—a sense of danger round them—and the spire; and suddenly into the midst of it this woman had come. She stood between the two, a little in front of them but between them too, as if separating them. She paid no attention to the girl. She just stood where she had appeared and looked at the boy, for he was hardly more; and as I drew silently a little nearer to them all, I heard him mutter "Mother!" (*Meine Mutter!* was what he actually said—in his own language.) He stood quite still, drawing back the merest trifle—or was it just his feeling to this apparition that drew back, while he looked and looked and looked.

And as he looked, his face changed. He had seized the girl's arm, roughly too, when he stopped her, but now his own arm fell away, if I may put it so, for it seemed to do that rather than to be taken away by him. He was no longer touching her; he was no longer, I think, even considering her; she had dropped out of his mind like some unused thing that we just let go. His eyes were fixed on the figure standing beside him. He looked at her as if he had never used his eyes before: one could see that pictures of his childhood, of his standing at this woman's knee, were forming or re-forming in his mind, and that he *heard*, yes heard — but with what ears?—the things she used to say to him.

"MOTHER!" he said. That was all he said. *"Meine Mutter!"* She was a stout, capable woman of perhaps fifty or a little more; she had a broad brow and dark eyes, like her son's, and once it seemed to me that she said "Franz!" All the time she stood there her arms were folded across her breast. She looked well and healthy, a fine woman of her age. She wore a rather old-fashioned dress, such as one might have worn in Edwardian times or perhaps a little later. She had a fine, strong face and a firm mouth: wife, mother, mistress of a house was written all over her. And she loved her son. There had been no blame in her glance: it had been full of love. I think she felt that he was a child still; I think she had come back as she would have come to pick him up if he had fallen when he was a baby.

The people, as I have said, were passing to and fro round the man and the girl, and none of them, so far as I could see, noticed the newcomer. All at once, and as instantaneously as she had come, she—was gone. There was nothing there, where she had been. I stepped up to the two who remained, and the young man, the son of the woman who had left us, said to me hurriedly, "Are you a friend of this girl? Take her with you. Take her home. Don't let her out again alone. She's she's too pretty." He too was gone, but I could see him walking rapidly away from us, down the street. He had spoken to me with difficulty, in a low voice, but every word that came out of his mouth he meant. My God, he meant them! I put my hand on the girl's arm. She was trembling from head to foot. She could hardly stand. She burst out sobbing suddenly and said, "I was coming back from my mother's funeral. I have nothing. Nothing. Nothing."

I drew her away into the little side street that leads into the Neuermarkt and, holding her hand, I said to her, "Have you no one belonging to you?" She shook her head without speaking. She was still trembling from head to foot. "She was so long ill," she said. "She died. And I was glad, for I feared them so much. I thought they would take her. And I am coming home now from burying her."

And as she stood there by that dark wall, I put my arms round her and held her and said, "I will take you away. You will begin another life with me far away. See!" and I opened my bag. "I have the papers. You are my secretary and your name is—" (I mentioned the name of the other remaining behind.) "We will go away tomorrow, and all this will seem to you like a bad dream. And you shall tell me all about your mother, and we will love each other very much." After a moment I felt her, first turn and then cling to me. We went to the hotel together, and the next day we came away home, and she is with me now, here, 3,000 miles away from all that might have happened to her in Vienna. She is one soul saved alive.

I HAVE told this incident exactly as it happened or seemed to me to happen. Whether the figure of the Mother was "there" or not seems to me to be beside the question. Possibly she may have been no more than a "thought-figment", but what then? Her "appearance" certainly influenced the course of events, and that is the main thing. So far as I myself am concerned, the moral of the story, if I may make use of that old-fashioned phrase, is more important than any "explanation" of it, and I think we may learn from it one lesson, among others, that should have a bearing upon our attitude to Austria after the War is over. At any rate the telling of the tale has confirmed me in my conviction that when peace comes the treatment accorded to the Austrians by the victorious powers should be very different from that which will—I hope—be meted out to the Germans.

Germany and Austria are two different nations; the civilization built up by the Austrian people—a beautiful, brilliant and delicate civilization it was in the pre-war days and may well be again if it is given a chance to re-make itself—was and is something essentially distinct from the German "Kultur". The two could never form a happy and lasting union with each other, and if we are to have what we may call an understanding peace, we shall have to keep this well in mind.

The Austrians, as a nation, have always loved life (and people who love life are never, I think, cruel); they have been domestic in the nicest sense of that word; they have loved children; they have produced a lovely art of their own; and the country they live in is as charming as they are themselves. Let us do what we can, when the time comes, to build up this destroyed and toppling world in which we and they will have to consort with each other again.

I think I should add that the girl who figures in this tale is now in Canada and about to make what promises to be a happy and enduring marriage. The sons and daughters of this Austrian girl and her Canadian husband will be our brothers and sisters—Canadian citizens. Not quite all that has to do with the War is bad.

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SATURDAY NIGHT, TORONTO, CANADA, FEBRUARY 5, 1944

P. M. Richards, Financial Editor

N.A.M. Congress Plans for a Better America

By STANLEY McCONNELL

The Congress of the National Association of Manufacturers in its recent sessions has reaffirmed the faith of American businessmen in private enterprise as the most efficient in production, citing its war record. To preserve it the Congress adopted a program calling for the elimination of practices tending to monopoly and special privilege.

The gap between productivity and purchasing power which, according to the Brookings Institution, was a serious pre-war problem, the writer believes to be due to the incorporation of the compounding principle in business and investment accounting.

NO BATTLES are won by purely defensive measures. The Second War Congress of the National Association of Manufacturers in the United States, characterised by *Newsweek* as "the most important in the trade body's forty-eight years of history" because of its adoption of "a vocal program of direct action to show the American people that the only reason American industry has been able to outpace the Axis war machine was because it thrived and grew in an unregimented and only mildly bureaucratic America."*

American industrialists have made a demonstration, "a super-human production job", of which they are proud. They have undertaken to increase their over-all output for 1944 at least 20 per cent above 1943 and 80 per cent over 1942. They are "seriously disturbed about the spread of an anti-free enterprise doctrine throughout the land" and have adopted a platform calling for "removal of elements of regimentation in American life, and preservation of the free private competitive enterprise system with a pledge of full production and employment if these things are done".

The NAM program for "A Better America" recognizes that "the immediate problem of industry after the war is to provide jobs for all who want them" and favors proposals "to eliminate all monopoly practices, clear the way for entry of new competition, maximize wages, eliminate all special privileges, unearned income and any means of gaining wealth except through productivity."

American businessmen have awakened to the collectivist challenge to "the individualist American system" and have decided to do something about it in making "closer contacts with all segments of the American public" largely through an educational campaign. Two leading speakers (Henry M. Wriston of Brown University and Alfred P. Sloan Jr., chairman of the board of General Motors Corporation) reminded the Congress that "the (American) system can continue only if business recognizes the changes that have occurred during the past decade"; while Charles E. Wilson, executive vice president of the War Production Board, recalling that "many of us in the 1930s feared that a left-wing reaction would draw labor. . . away from the body of American sentiment", warned his hearers that "a right-wing reaction may draw some sections of capital so far away from our traditions as to imperil the entire structure of American life as we know it."

The deep significance of the NAM Congress is the evidence of a new spirit abroad in American business which to maintain free enterprise and the discipline of competition is willing to forego all special privileges and discard unfair practices. Bob

(*Continued on Next Page*)

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*Newsweek, December 20, 1943.

THE BUSINESS ANGLE

Researchers on the Post-War

BY P. M. RICHARDS

WHAT are the building materials of the future? What materials will be most in demand by manufacturers? Will the newer-type materials (plastics, plywood, etc.) displace the old, or will there be business enough for new and old? Clearly, the answers to these and similar questions are fraught with significance for economic, political and social planners as well as for business heads and investors. In an attempt to find the answers, *Barron's Weekly* recently addressed a questionnaire to more than 500 insearch directors in the United States. The replies indicate that the materials having the best growth prospects are plastics, plywood, the light metals, stainless steel, glass and synthetic fibres; also that more light structural materials will certainly be used in the future, as compared with the pre-war, for over 90 per cent of the replies predicted "marked growth" for plastics, plywood and the light metals, aluminum and magnesium, in the ten years immediately following the war.

Silk and tin are rated as having the least promising prospects. In between these two extremes come the great bulk of the old and familiar materials: the mild steels, copper, lead and zinc; lumber, brick and cement; cotton and wool, with varying growth prospects. Some of these, the survey shows, will no doubt gradually lose ground to newcomers. Others may be able to maintain their competitive positions through improvements in characteristics or reductions in cost, thus opening new markets. It may be that the general level of industrial activity will be high enough after the war to cause an increase in demand for nearly all materials, compared with the pre-war years. On the other hand, a prolonged depression could result in a decline for most of them.

Fear Restrictions

Just what steps will be taken to encourage industry and raise the general level of activity is something the statesmen will have to decide, but the men engaged in industrial research have some interesting ideas on the subject. Their replies indicate that they fear undue restrictive and regulatory action more than the absence of any constructive measures. As one of them said: "Industry has a wide field and an abundant opportunity if we don't strangle it with regulations and political bickerings." Another believes that "If there isn't a too closely 'controlled scarcity', there should be marked increases in demand for all of the present materials used in manufacture of everything from buildings and machinery to gadgets."

It's agreed that price will be one of the decisive factors in determining the relative position of various materials and also the general level of consumption after the war. As one research director observes, "At present there is little competition among materials on a cost basis. All kinds are needed and used irrespective of cost. After the war, each material will have to stand on its own economic feet, which may change the present situation entirely." Another fears an attempt to regulate prices, saying, "In my opinion, the greatest danger to post-war business consists in the tendency to try to maintain high prices. This hinders the movement of materials into trade channels and further depresses the already lessened demand for materials. A drastic decrease in raw material prices, as well as abandonment of overtime and excessive wage hour rates, will be needed to get post-war business going."

Labor After the War

Higher production and subsequent movement of goods through normal trade channels are viewed as being dependent upon freedom not only from price restrictions but also from interference from organized labor. Several research men express concern whether certain union groups will continue, as in the past, to oppose such labor-saving developments as prefabrication. One fears that "labor will be so arbitrary after the war that it will be unmanageable," and another believes that industry in self-defence will have to decentralize its operations more and more, splitting them up into a larger number of smaller concentrations of labor. High taxes are also viewed by many research directors as having a restrictive effect on the development of new products. They tend to inhibit production by discouraging outlays of venture capital and to curb consumption by limiting consumer purchasing power. One thinks that "The post-war era is likely to be a period of enforced practical economy, falling incomes and high taxation. So luxuries are doubtful." Another says: "People won't have much left to spend after they pay their taxes."

The research men, on one side of the picture, see a post-war world with vast new possibilities in housing, transportation and other "better things for better living," as well as unprecedented opportunities for bringing these things within the reach of millions, through the application of mass production methods. They see labor-saving devices contributing to an increasing extent to time available for education, travel and recreation. They see standards of living rising ever higher and higher.

On the other side of the picture, they see a post-war world mismanaged by the politicians, with price restrictions here and trade barriers there, an economy of abundance giving way to "controlled scarcity," rising taxes competing with rising new industries, organized labor opposing some of the things that in the long run seem likely to benefit it the most.

Royal Naval Beach Commandos are key troops trained for just such audacious thrusts as the recent surprise landings at Nettuno, south of Rome. Going ashore with the first wave of the assaulting forces, these troops take over control of the landing craft pouring reenforcements into the beachhead and form the actual link between the Naval and Military personnel engaged in the action. Immediately on landing, under the command of the principal Beachmaster who is always a Naval officer, they make a reconnaissance of the beach and foreshore and take soundings, which enables them to indicate the most suitable beaches for the various types of craft to discharge troops and equipment. In the photograph below, the Assistant Beachmaster with his bodyguard, having reconnoitred the beach, are signalling the landing craft to come inshore.

Royal Naval Beach Commandos are trained under the severest conditions over an assault course bristling with natural obstacles. Photo below shows them scaling cliffs by rope ladders, wearing full equipment. This sort of training makes soldiers courageous, hard and resourceful.

(*Continued from Page* 26)

Gaylord, the new president, is a self-styled "small business man". Equally significant is the accent which it placed on the amazing productive capacity of American industry. Businessmen are accustomed to dealing with tangibles. Give them a job of work, building a Boulder Dam or equipping an army, and they will do the job. But the great unsolved problem for industry is to find adequate markets. This is not an engineering problem but lies in the field of accounting and monetary practice.

The demonstration already made by American, as well as Canadian and British, industry carries with it a new challenge to solve this problem. The governments have achieved this *balance* in wartime by a dangerous financial unorthodoxy—*unbalanced* national budgets; dangerous because of their political and economic after effects. Industry does not want collectivism, but nationalized industry is the reverse side of collectivized finance. On the economic side, production is everything in the emergency of war. The figures do not matter. But deficit wartime financing will impose a brake on peacetime production. The question is whether an equal productivity can be realized by a safe financial technique which will preserve the system of free enterprise and democracy.

This challenge was presented to American industry in 1935 by the report of the Brookings Institution of Washington. The war has merely emphasized it by a growing demand that the scale of productivity established in war be continued in peace. The Institution found that "American consumption is potentially enormous, that American production is potentially much larger than actual production has ever been and that the defect in the system lies in. . . the element of purchasing power."* In explanation of the gap, the Report found that prices were not being lowered "in proportion to the increase in technological and operating efficiency", the inference being that the industrialist himself was responsible.

The Precarious Margin

The individual manufacturer, scanning his cost sheets and his rising tax bills, would warmly deny the implication. He would probably assert that the answer was not to be found in his particular business. There are few businessmen who have not experienced the struggle to maintain that precarious margin between costs and prices which spells survival.

To a qualified accountant who possessed the mathematical key and considered business as a whole, the answer would have been obvious. It would have explained and reconciled the findings of the Brookings Institution and the manufacturer's own experience. If productivity and purchasing power are to be equated, the figures must represent the realities of Capital and its ability to deliver goods from the assembly line. In adopting the compounding principle commercial accountants wrote into their ledgers and consequently into all prices a mathematical law which operated as a price-raising mechanism.

The effect of this practice was to pyramid both capital values and prices and to curtail purchasing power in the same proportion. A further effect was to bring about a concentration of capital wealth and income. Those at the upper end of the scale consume only a small part of their incomes and invest the surplus. When they cannot find profitable investment in industry because of bad markets, they invest in mortgages and public debt. Those at the lower end are unable to save anything, while their buying power is diminished by rising prices due in part to interest charges on the debt.

This economic disorder is recorded by the Brookings Institution: "In the last 20 years. . . the volume of money savings flowing to investment channels has so greatly increased that the *balance* has been shifted and *a maladjustment of basic significance has developed.* Our capacity to produce consumer goods has been chronically in excess of the amount which consumers are able to take off the markets; and this situation is attributable to the increasing proportion of the total income which is diverted to savings channels. The result is a chronic inability to find market outlets adequate to absorb our full productive capacity." **

The builders of the industrial age unwittingly borrowed from the money lenders the conception of a non-wasting capital. It was a simple error but its consequences were disastrous, for it introduced the compounding principle into all capital values and prices. Sitting in convention today, their successors point to their ability to produce to any desired limit *if only they can find a market for the goods.* Meanwhile, because the market has not been found and the old fear of insecurity remains, they observe "the spread of an anti-free enterprise doctrine throughout the land" while the Institution quoted above finds that although the price-reduction method "is one of the primary methods upon which the capitalistic system was supposed to rely, it has substantially ceased to operate."

Cause and Effect

We have here a chain of cause and effect extending over two centuries. From the beginning of the industrial age, manufacturers have been compounding their profits from ledger to ledger, from capital to its product, pyramiding all capital values and prices and creating an artificial scarcity. It was a price-raising mechanism which ensured that prices should inevitably rise, that President Roosevelt's objective of a dollar of relatively stable buying power should never be realized, that capital wealth should become more and more concentrated and that at the supreme moment of technical mastery, the mechanism of distribution in a free money economy should fail.

It is the story of Economic Man implementing two opposing techniques, one tending to lower prices, the other to raise them. The technique of the industrial revolution—the division of labor associated with mass production methods—was designed to create a natural abundance with a minimum of labor. Its accounting expression was declining prices leading to expanding markets and increased production. The opposing technique was the compounding principle which led to a progressive rise in capital values and prices. Since market demand establishes the limit of production, the second technique was the controlling factor. It was not the taking of profit, but the compounding of profit, and hence of capital values and prices, which continually widened the gap between productivity and purchasing power.

Result Inevitable

Thus the symptoms of an unbalanced economy may be traced to their primary cause—the adoption of the compounding principle in business and investment accounting. No other result could have been expected for the mathematics are conclusive. All costs, capital values and prices were rising and the purchasing power of the dollar declining. Each manufacturer saw the result in his own balance sheet, the government saw it in its budget, but there was no controlling national account to show the effect of this vicious principle upon all budgets. Yet the outer effects were apparent to all in increasing social and economic chaos.

The political symptoms followed as a corollary. When unemployment and poverty reach a certain stage, they become a national problem with which the state must deal. The state's budget expands, taxation increases, the burden on industry becomes heavier, prices rise while purchasing power and production contract and the state of imbalance becomes more acute. Here are all the elements of collectivism which may come in easy stages (as might be expected in Anglo-Saxon democracies with a long tradition of freedom) or suddenly as in Europe. In any case the charge will be made that private enterprise has failed, that *laissez faire* is dead and that the only solution lies in a planned economy, in practice, state socialism.

Private enterprise has not failed. It is the economic technique of Anglo-Saxon genius in production as the democratic state is its political technique. Private enterprise has merely been the victim of a traditional malpractice handed down from the Middle Ages, an error which the builders of this civilization incorporated in their whole system of values. The evolution of the great Anglo-American theme of freedom and power has merely been halted while the world waits for leadership. The repairing of our economic bridges has been shelved for four years while the collectivist challenge to freedom was met. It must now be met in the economic sphere.

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*Fortune, November, 1935.

**Ibid. Author's italics.

Toronto, Ontario,
January 28, 1944.

TO THE SHAREHOLDERS OF

ELDORADO MINING AND REFINING LIMITED:

I have been advised officially that the Canadian Government has appropriated all the shares of the company and that from 3 p.m. E.D.S.T. on Friday, the 28th day of January, 1944, the company is converted into a Crown operation.

The Government is offering to the Shareholders a price of $1.35 per share, which the Directors consider fair and have decided to accept as regards their own holdings. It is the recommendation of the Directors that the other shareholders also accept this offer.

Arrangements have been made with the Transfer Agents, the Trusts and Guarantee Company Ltd., 302 Bay Street, Toronto, Ontario, to pay this sum to shareholders upon presentation of proper evidence of ownership.

I have been informed by the Minister of Munitions and Supply that the present Directors of the company will continue in office and there will be no change in the existing arrangements with the employees and operations of the company.

Yours truly,

GILBERT A. LaBINE,
President.

Wartime Conditions Reflected in 1943 Report of

CANADA PERMANENT MORTGAGE CORPORATION

(ESTABLISHED 1855)

THE greater volume of funds in the hands of the public, and conditions of financing in wartime, are both reflected in another successful year's operations by the Canada Permanent Mortgage Corporation.

Despite heavy withdrawals for investment in Victory Bonds and tax payments, deposits increased from $16,323,800 to $16,970,802.

Investments in the Corporation's Debentures payable in Canada increased from $26,018,843 to $26,440,758.

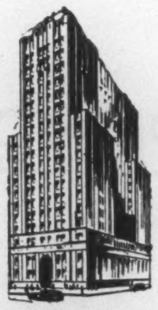
The Corporation's holdings of Dominion of Canada Bonds amount to $6,363,047, nearly double the previous year, while investment in Provincial Bonds increased to $1,658,729. Total liquid assets are more than 80% of deposits.

Real Estate held for sale is substantially reduced, being $1,182,181 compared with $1,447,984.

Profits for the year were $701,295, a moderate increase.

Assets are shown in the Annual Statement as follows:

Mortgages	$42,036,194.39
Office Premises:—Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Halifax, Woodstock (Ont.) and Brantford (Ont.)	3,296,500.00
Real Estate held For Sale	1,182,180.81
Loans on Bonds and Stocks	198,814.62
Bonds of or guaranteed by the Dominion of Canada	6,363,047.34
Bonds of or guaranteed by the Provinces of Canada	1,658,728.97
Bonds of Canadian Municipalities	668,826.08
Bonds guaranteed by City of Toronto	99,296.07
Other Bonds and Debentures	216,920.31
Stocks, including $982,000. (par value) of The Canada Permanent Trust Company	1,902,512.98
Cash in Chartered Banks and on hand	3,947,568.85
	$61,570,590.42



Head Offices Toronto

Increase in Trust Assets reported by

THE CANADA PERMANENT TRUST COMPANY

In 1943 the assets being administered by the Company showed a striking increase of nearly $5,000,000.00. Here is the impressive record of the expanding volume of assets being entrusted to its care and management, a tribute to the service it is rendering:

Year	Assets under Administration
1923	$ 6,686,570.00
1933	$ 32,395,430.00
1943	$ 59,979,270.00

Head Offices: CANADA PERMANENT BUILDING, Toronto

Copy of Report and Proceedings of Annual Meeting on Request

BRANCH OFFICES:

Toronto, Woodstock and Brantford, Ont.; Winnipeg, Man.; Edmonton, Alta.; Regina, Sask.; Vancouver, B.C.; Saint John, N.B., and Halifax, N.S.

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Hiram Walker — Gooderham & Worts

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GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast.

J. J. M., La Sarre, Que.—I understand some of the larger shareholders of PORT COLDWELL MINES & METALS were given a stock bonus in consideration of pooling their shares until such times as conditions were favorable for the company going ahead with the mill. Delays in getting into production are due to the shortage of labor and critical supplies, but the outlook in this regard is improving gradually. Present plans call for production about the middle of 1944. Most of the equipment for a 100-ton mill has been bought and paid for and the final phases of the flow sheet are now being worked out by a U.S., milling and metallurgical firm. While I cannot predict how profitable the operation will be the company is not concerned about the market. Many inquiries have been received from ceramic companies for its production. Study is also being given to the making of high alumina products from nepheline syenite for uses in various industries, including textile dyeing. The operation which must be regarded as a straight industrial one has competent management.

A.L.C., Hamilton, Ont. — You can safely retain your DOMINION STORES shares, I think. I understand that the company's 1943 sales volume was well above that for 1942, which was a record high. While operating profits have also increased sizably, the increase in net is restricted, of course, by the application of the 100 per cent excess profits tax to the whole of 1943 as against only half of 1942. Working capital position has improved, and the outlook for the company seems better than for the last couple of years.

L.D.P., Verdun, Que.—Yes, COIN LAKE owns seven groups of claims in Ontario, in addition to its holdings of Cochenour-Willans and other investments which had an aggregate value of over $220,000 last November. It is proposed to commence diamond drilling at the Slate Lake property, one of the two Red Lake groups as soon as possible. Diamond drilling is also planned next Spring for its two properties in the Lightning River area, which are believed to hold considerable promise.

J.P.F., Buffalo, N.Y.—Yes, INTERNATIONAL PAINTS (CANADA) LTD. was busily occupied with war work during the fiscal year ended Sept. 30, 1943, and the volume of business done was the largest in its history. Operating profits, however, declined on account of increased costs of production with no corres-

Moore Corporation Limited

PRINCIPAL products of Moore Corporation Limited are used extensively by the continent's government agencies, large transportation systems, institutions, industrial and commercial organizations, retail establishments, etc., and find the same use in war and peace. The multiple copy forms manufactured and distributed by the company are necessary for the control and speedy handling of practically every kind of business and are serviceable at all times. Moore Corporation is, therefore, faced with no problem in the transition from war to peace.

The company is well managed with a past record of progress and achievement. Sales during the war years have been establishing new records annually, and after the war normal business requirements and continuance of some of the wartime restrictions and regulations in the early postwar period—necessitating use of many forms—will add to the peace time demand. The company is in a strong financial position and one of the leading manufacturers of its type of products in the world. At the end of 1942 Moore Corporation had established a reserve of $1,000,000 for postwar adjustments, and carries on its own research organization.

Moore Corporation Limited is a holding company originally incorporated in 1928. Through an exchange of shares Moore Corporation acquired all the outstanding capital stocks of American Sales Book Company, Limited; F. N. Burt Company, Limited; Gilman Fanfold Corporation Limited; Pacific Burt Company, Limited, etc. Plants are located in Canada and the United States. Products include business forms; autographic registers; multiple forms; paper boxes; advertising displays, etc.

Shipments and profits for the fiscal year ended December 31, 1942, were at new peaks, but a substantial increase in provision for income and excess profits taxes, from $2,576,000 in 1941 to $4,407,300 for 1942, had the effect of reducing net profit below the previous year. Net profit for the year amounted to $1,486,925 compared with $1,799,619 for 1941, and was equal to $3.01 per share on the common stock, including refundable portion of the excess profits taxes. This compares with $3.75 a share for 1941 and $3.72 for 1940. The Canadian excess profits tax is only applicable to that portion of the company's profits earned in Canada, with the greater portion of operations carried on in the United States. Earnings from the American operations are taken into the consolidated profit and loss account at par, although the U.S. dollar is at a premium in Canada.

Initial quarterly dividend on the common stock of the predecessor company was paid in 1929 and payments continued until a reduction was made in 1932. Distributions were deferred late in 1932, owing to the depression of the early 30's, and 50c paid in 1934 and 1935, with payments resumed on a quarterly basis in 1936 and continued to this date. Current annual dividend rate is $2.22 per share, plus an annual bonus of 66½c per share, Canadian funds.

Moore Corporation has always maintained an excellent liquid position with net working capital of $8,860,591 at December 31, 1942, an increase from $6,101,615 at December 31, 1938. At the end of 1942 current assets of $15,588,307 had a ratio of 2.2 to 1 to current liabilities of $6,727,716. Cash on hand amounted to $3,410,786 and investments to $600,000.

The company has no funded debt and the outstanding capital at December 31, 1942, consisted of 25,765 shares of 7% cumulative convertible Class A preferred stock of $100 par value; 4,154 shares of 7% cumulative convertible Class B preferred stock of $100 par value, and 424,486 common shares of no par value. The Class A preferred is convertible one share for 4 common and the Class B preferred one share for 6 common.

Price range and earnings ratio 1938-1943, inclusive, follows:

	Price Range High	Price Range Low	Earned Per Share	Price Earnings Ratio High	Price Earnings Ratio Low	Dividends Per Share-b
1943	49½	44½	$3.01-a	16.4	14.8	$2.88½
1942	45	39	3.01-a	14.9	12.9	2.88½
1941	47¼	41	3.75	12.6	11.0	2.88½
1940	48	34¾	3.72	12.0	9.3	2.40
1939	45½	35	3.57	12.7	10.0	2.20
1938	40	25	2.69	15.0	9.3	2.20
Average 1938-1943				13.9	11.1	

Approximate current price ratio 16.2
Approximate current yield 5.92%

a—For fiscal year ended December 31, 1942. Includes refundable portion E.P. Tax.

b—1943, 1942, 1941 Canadian funds; preceding years New York funds.

COMPARATIVE STATISTICS:

	1942	1941	1940	1939	1938
Net Profit	$ 1,486,925x	$ 1,799,619	$ 1,786,871	$ 1,681,898	$ 1,317,264
Surplus	4,706,051	4,652,836	4,282,927	3,716,279	3,161,322
Current Assets	15,588,307	13,692,455	10,481,881	9,275,128	7,766,525
Current Liabilities	6,727,716	5,315,824	2,775,098	2,323,787	1,664,910
Net Working Capital	8,860,591	8,376,631	7,706,788	6,951,341	6,101,615
Cash	3,410,786	4,093,175	4,133,337	3,885,915	3,197,096
Government bonds	600,000	—	327,800	—	—

x Includes refundable portion of the Excess Profits Tax.

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
Toronto Kirkland Lake

The Royal Bank of Canada
DIVIDEND NO. 226

NOTICE is hereby given that a dividend of one and one-half per cent (being at the rate of six per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Wednesday, the first day of March next, to shareholders of record at the close of business on the 31st day of January, 1944.

By order of the Board.
S. G. DOBSON,
General Manager.
Montreal, Que., January 11, 1944.

KERR-ADDISON GOLD MINES LIMITED
(No Personal Liability)

INTERIM DIVIDEND NO. 22

Notice is hereby given that an interim dividend of five cents per share has been declared on the issued capital stock of the company, payable in Canadian funds on Tuesday, February 29th, 1944, to shareholders of record at the close of business on Tuesday, February 1st, 1944.

By Order of the Board.
C. A. CAVIN,
Secretary-Treasurer.
Toronto, Ontario.
January 25th, 1944.

DIVIDEND NOTICE
HIRAM WALKER-GOODERHAM & WORTS LIMITED
DIVIDEND NO. 98

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this Company, payable Wednesday, March 15, 1944 to shareholders of record at the close of business on Friday, February 11.

DIVIDEND NO. 99

A dividend of $1.00 a share has been declared on the outstanding no par value Common Stock of this Company payable Wednesday March 15, 1944 to shareholders of record at the close of business on Friday, February 11.

By Order of the Board,
FLETCHER RUARK,
Walkerville, Canada Secretary.
January 18, 1944.

CAPITAL
TRUST
CORPORATION LIMITED

NORANDA MINES, LIMITED
DIVIDEND NOTICE

Notice is hereby given that an interim dividend of One Dollar ($1.00) per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines Limited, payable March 15th, 1944, to shareholders of record at the close of business February 15th, 1944.

By order of the Board,
J. R. BRADFIELD,
Secretary.
Toronto, January 27th, 1944.

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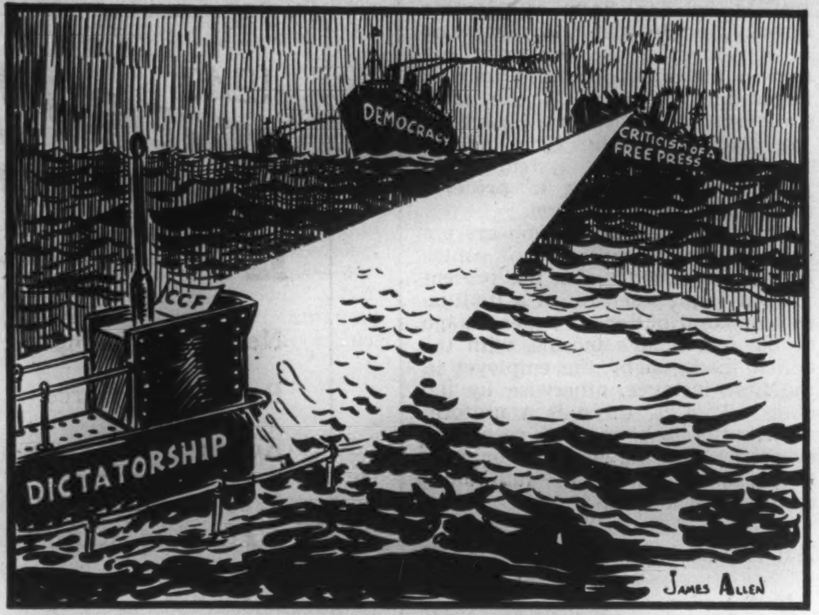
ponding increase in selling prices, as well as the limitation set on profits on war contracts. Distributable income was equal to $1.50 per share on the $20 par 5 per cent preferred stock. Including 93 cents per share as the refundable portion of excess profits tax, total earnings were $2.43 per share.

T. M. M., Sudbury, Ont.—I look upon LAMAQUE GOLD MINES' shares as a sound purchase for the post-war future. The company has excellent management, the ore picture is a satisfactory one and a return of normal manpower conditions should be of appreciable benefit. Despite the fact that little development work was possible last year, owing to the labor shortage, ore reserves at the end of August were at an all-time high. New orebodies of outstanding importance were reported at the last annual meeting. A large tonnage is indicated but grade is down somewhat from mine average. However, it will be some time before the full picture and benefit of the new orebodies will be apparent. Earnings in the first eight months of 1943 were off considerably from the previous year. Dividends of 45 cents a share last year compared with 55 cents in the previous twelve months.

A. E. H., Kingston, Ont.—The selling in BRAZILIAN TRACTION you refer to was apparently due to the announcement that Brazil will put an excess profits tax law into effect. I would advise holding your shares, as preliminary calculations indicate that it will not have an important effect on the company's earnings. Excess profits over "normal" earnings would be taken to the extent of 20 to 50 per cent, but there is provided an alternative whereby a company may deposit double the amount of the tax and get it back after the war, for post-war reconstruction. The company also is given considerable leeway as regards the base period from which income tax assessment may be made.

C. M., London, Ont.—Yes, I still retain every confidence in the future of gold and regard it as the logical answer to international monetary problems, and in my opinion, is more likely to advance than decline in the post-war rehabilitation period. I fully agree with the economists who feel that the United States, Russia, Canada and South Africa, will be unwilling to favor any plan for monetary reconstruction that proposes the supplanting of gold. Your three questions dealing with HARKER GOLD MINES must all be answered in the negative. An idle gold property is still held in the Lightning River district of Ontario, as well as inactive properties in the Coppermine River area, N.W.T. With the exception of Pickle Crow its mining investments have not proven financial successes.

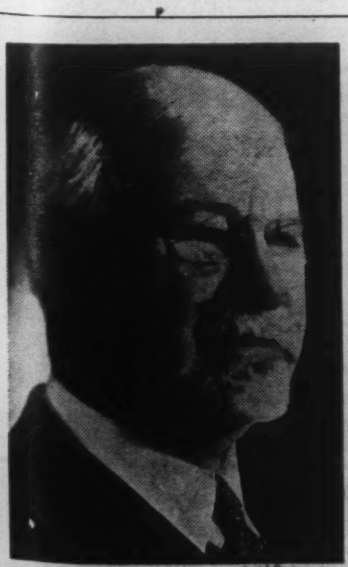


CAUGHT BY THE GUARDIAN'S LIGHT

T.P.S., Saint John, N.B.—I would say that the regular dividend of $4 per share plus a bonus of $2 per share that BELDING-CORTICELLI LTD. has paid for the last three years on the common stock appears reasonably well secured, unless the difficult conditions that existed in 1943 are greatly accentuated. Last year a combination of reduced sales, increased costs and no corresponding increase in selling price saw operating profits cut in half to the lowest level since 1939. While it seems unlikely that earnings will fall below the $6 level on the common stock, the company could still maintain the $6 rate even if such a contingency arose for it has built up an unusually strong surplus position, and the surplus is highly liquid.

H. A. F., Toronto, Ont.—I think the stocks you hold all have good prospects for capital appreciation in the post-war future. Judging from your present list you are interested in attractive juniors and to add to your holdings I would suggest such stocks as MADSEN RED LAKE, SAN ANTONIO, COCHENOUR WILLANS, EAST MALARTIC, MacKENZIE RED LAKE or LEITCH. All these stocks appear to have excellent possibilities for capital appreciation over the long-term, as well as having ore positions which should warrant increased production when the manpower situation again becomes normal.

T.R.T., Toronto, Ont.—The final dividend of 2 per cent on the CANADIAN PACIFIC RAILWAY'S 4 per cent non-cumulative preferred, paid Feb. 1, 1944, in respect of the year 1943, brought the total for the year to the full requirement of 4 per cent. The full amount was also paid for the three preceding years. Preferred dividends were paid regularly from issuance to and including the payment of 2 per cent on October 1, 1932, for the first half of 1932; none thereafter until 1 per cent on March 1, 1937, which was followed by the payment of 2 per cent on April 1, 1938; 2 per cent on Oct. 1, 1940 and semi-annually thereafter to date.



MR. J. A. McLEOD

President of The Bank of Nova Scotia, who presided at the 112th annual meeting of the shareholders held at Halifax on February 2nd. Mr. McLeod's address is published elsewhere in this issue.

BUSINESS AND MARKET FORECAST

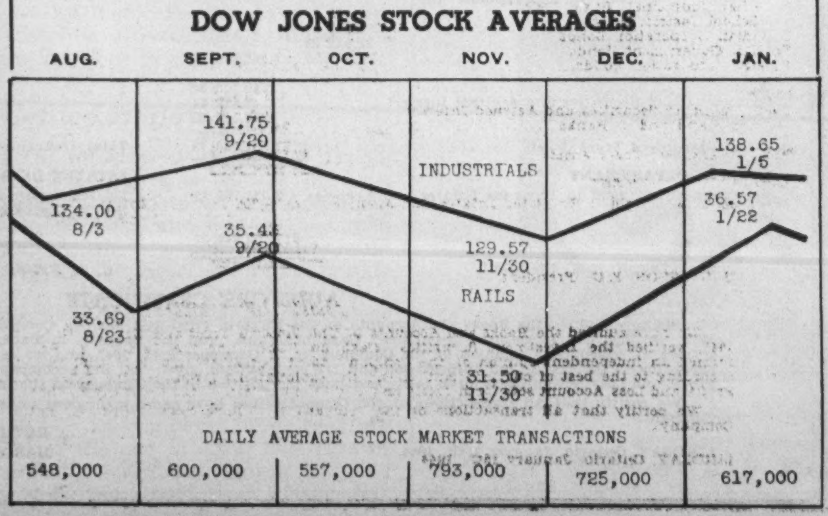
Buying Point Ahead?

BY HARUSPEX

The ONE TO TWO-YEAR TREND: American stocks, following their sustained advance from the April 1942 lows, which substantially influence the price movements in Canadian stock exchanges, completed a zone of distribution in July 1943 and are now in cyclical decline. A reversal in the SHORT TERM TREND is also in progress. For further discussion of intermediate outlook, see below.

Toward the termination of the November-December American stock market decline, we pointed out certain technical developments conducive to rally. This rally developed in due order and has carried for around seven weeks. Its extreme range, so far, in terms of the Dow-Jones industrial average, has been approximately ten points, which compares with the eight-point rally running from August into September. A feature of the rally, over its entire course, has been the failure of daily volumes to develop anywhere commensurate with their totals during the active trading in the Spring and Summer of 1943. Another noticeable factor has been the backwardness in the industrial list over the past three or four weeks, as compared with continuing strength in the rails. The market setback of last week was in recognition of this latter fact. Following this setback, it would be normal for the market to make another attempt to carry the rally forward.

Renewed strength decisively above the recent highs in both averages, with volume relatively large, would suggest further advance, possibly to a double top with 1943 in one or both averages. Failure of such rally to push above recent highs would lend some weight to an assumption that the seven-week move had terminated. In any event, as stated herein previously, we see neither a news background or a sufficiently strong technical base to warrant a conclusion that the stock market, as some now assume, is starting on another vigorous run, such as the 1942-43 advance, that calls for fully invested positions. We believe that an attractive buying point will be witnessed this year—at levels substantially under those now prevailing—but this should be when the problems of reconversion are more fully apparent. Accordingly, we would regard any extension of current strength as a renewal of distribution tactics, such as witnessed at the July 1943 peaks.



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From their modest investments of today—chiefly in Victory Bonds—men and women are accumulating capital that will enable them to become employers and executives in the postwar business world.

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OVER 55 YEARS OLD

SATURDAY NIGHT has been published continuously without a break since 1887. If all the copies printed during the past 56 years were piled one upon the other the pile would reach up over 300 miles into the stratosphere. If placed end to end, they would circle the globe more than 12 times.

ABOUT INSURANCE

Social Security, Public Health and National Health Insurance

By GEORGE GILBERT

With well-prepared and practicable social security plans for the maintenance of a minimum subsistence level for all classes, the life insurance companies in Canada are in sympathy, and will give such plans their hearty support. In their associated capacity, they are on record to that effect.

They are also heartily in accord with the inauguration of comprehensive and efficient health and rehabilitation services. Their extensive experience in the field of public health has convinced them that any measures in the field of preventive medicine should be co-ordinated but not consolidated with a health insurance plan.

WITH the laudable objective of establishing "freedom from want" and "freedom from fear" in the post-war period, various social security and social insurance plans are under consideration in Canada, the United States and other of the United Nations. In the United States there is a bill in Congress to amend the Social Security Act by adding compulsory health insurance at an estimated cost of eighteen billions per annum. In Canada a national health insurance measure is under consideration, the estimated cost being two hundred and fifty millions a year.

In the United States the companies writing accident and health insurance are actively opposing the proposed amendment to the Social Security Act on the ground that the attempt to reach the goal of social security by such compulsory means will only end in failure and disaster. It is contended that the only sound way to reach the social security objective is over the road the country has been travelling for 150 years. It is the way by which life insurance has been distributed to 67 million people; by which 45 million savings bank accounts have been created; by which disability insurance has been furnished to 25 million wage earners and 12 million people enrolled in Blue Cross hospitalization plans; by which millions have been insured in employees' mutual benefit associations and fraternal societies; and by which billions of war bonds have been sold. It is pointed out that because this way is voluntary and not compulsory it has aided materially in establishing a standard of living in the country higher than could be attained under any social security scheme based on compulsion.

Existing Legislation

In Canada there is already legislation in effect with respect to certain aspects of social security, such as government unemployment insurance, old age pensions, mothers' allowances and workmen's compensation. It is now proposed to add compulsory national health insurance to the list. With regard to certain features of social security legislation, the insurance companies in Canada, that is, the life insurance companies, have in their associated capacity expressed agreement, as set out in a memorandum submitted to the Special Committee on Social Security of the House of Commons.

It is therein stated that the life insurance industry is much in sympathy with and will give its hearty support to well-prepared and practicable social security plans for the maintenance of a minimum subsistence level for all classes. The industry is also heartily in accord with the inauguration of comprehensive and efficient health and rehabilitation services. Its work in the field of preventive health measures, in the field of nutrition in co-operation with the Canadian Medical Association, in the field of cancer research and in dental and other activities, has demonstrated its practical interest in plans for improving the health and strength, education and intelligence of the people generally.

Pre-eminent importance is attached by the life insurance companies to developments in the field of public health and the necessity for the elimination of causes of sickness and disease, on the ground that it would be futile to arrange medical treatment for the individual to cure his disability and to return him to productive employment only to have him become ill again. The view is expressed that every effort to remove the cause should be made through better nutrition, the elimination of slums, improved housing, industrial hygiene, health propaganda and educational efforts directed to the prevention of disease.

Preventive Measures

As a result of their experience in public health work, the life insurance companies are convinced of the soundness of the view that any measures in the field of preventive medicine should be co-ordinated but not consolidated with a health insurance plan. It is their view that preventive measures of various kinds should be set up as fully and as completely as possible without waiting for the working out of the health insurance scheme. They do not say that the effectiveness of public health preventive measures will not be strengthened by the introduction of health insurance. They concur that the full objective of preventive measures cannot be attained until the practising physician becomes in effect a public health officer in respect of the families for whose health he is responsible.

With regard to governmental responsibility in the field of medical care, they agree that greater government activity in this field is necessary and desirable, since the present system has proven inadequate in certain respects. For example, they point out: "(a) The medical care of indigents has been unsatisfactory both by reason of its insufficiency and the unfairness with which the financial burden has been distributed. (b) Among the low per capita income groups, where wages are low or the number of dependents high, the cost of medical care has prevented complete service and has jeopardized the economic solvency of many families. (c) In sparsely populated sections the cost of providing adequate service is often beyond the capacity to pay of such communities. (d) The practising physician, in general, has had insufficient opportunity to devote his time to those preventive measures which he alone can carry out to best advantage."

Contributory Plan

On the question which naturally arises as to whether a plan for the provision of medical care should be financed by the state from general taxation or supported by contributions made by the individuals benefited, the life insurance companies are strongly in favor of a plan supported by specific contributions made by the individual for the purpose of defraying the costs of the benefits provided. They also believe that as a general rule the state should avoid embarking upon plans involving permanent large-scale expenditures to be provided from general revenue sources.

They are on sound ground also in their view that the average individual will welcome the opportunity to contribute to the cost of any form of social insurance, for the reason that he wishes to become a partner in the plan and not simply a beneficiary, and because he knows there is little justification for setting up a means test if he has been contributing directly to the cost. It must also be remembered, as they point out, that in the initial stages it may be impossible to attain to the same standards of service in all parts of the country at one time, and a flexible contributory system might possibly be necessary to preserve equity in such a situation.

With regard to those who are unable to pay the full rate of contribution prescribed under the present plan, it is proposed to set a limiting rate of contribution as a percentage of the individual's income, with the deficit made up by the employer in the first instance, otherwise by the state. That is, there is a uniform contribution to be made in respect of everyone, with the employer or state taking up the slack where full ability to pay does not exist.

An Inconsistency

In the view of the life insurance companies, it seems inconsistent and undesirable that the method of dealing with cases where full ability to pay does not exist should be made part of the health insurance legislation itself, as the existence of inability to pay is a social and economic problem which seems to be independent of and more far-reaching than the health insurance plan as such. It is suggested that it would be preferable to provide a compulsory uniform rate within the health insurance measure, and then by suitable separate legislation to deal with the mechanism whereby all or a portion of the contribution is made up in those cases where full ability to pay is lacking. Such separate legislation would remove from the field of health insurance a problem which is of a different character and foreign to the task of adequate medical care. It is pointed out that this same separate legislation, which might be termed a "Social Insurance Assistance Act," could also be used in other phases of social insurance which might otherwise require modification because of inability to pay.

1943 STRENGTH AND SERVICE to over FORTY THOUSAND Policyholders

New 1943 Business - - - $ 9,913,816
Business in Force - - - $79,752,618
Assets - - - - - - $19,319,258
Free Surplus and Additional Funds as Added Protection - $ 1,814,739
Premium Income - - - - $ 1,910,363

● More than our Total Increase in Assets invested in Victory Bonds.

E. J. TARR, President
G. C. CUMMING, General Manager

THE MONARCH LIFE Assurance Company

THE Casualty Company of Canada
HEAD OFFICE - TORONTO
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IN SOME TERRITORIES THROUGHOUT CANADA
E. D. GOODERHAM, *President* A. W. EASTMURE, *Managing Director*

The Victoria Trust and Savings Company

LINDSAY, ONTARIO

Balance Sheet — December 31st, 1943

ASSETS

CAPITAL ACCOUNT		
Office Premises and Land, Lindsay and Cannington		$ 38,500.00
Other Real Estate—		
Farm Properties		49,567.46
City Properties		73,994.76
Advances to Estates and Agencies Under Administration		14,605.34
Wheat Storage Plants and Equipment		14,648.32
Mortgages and Agreement for Sale		
Principal	$1,035,424.56	
Interest Due and Accrued	20,278.11	$1,055,702.67
Bonds, Debentures and Accrued Interest		
Government and Government Guaranteed Bonds	23,988.18	
Canadian Municipal, Rural Telephone and School District Bonds	18,266.92	
Canadian Corporation Bonds	10,932.50	
Foreign Government Bonds	6,440.00	
Foreign Corporation Bonds	2,085.00	61,712.60
Stocks		9,781.00
Loans on Company's Stock and Accrued Interest		10,714.42
Loans on Other Securities and Accrued Interest		30,388.47
Cash on Hand and in Bank		93,869.29
Total Capital Assets		$1,453,484.33
GUARANTEED TRUST ACCOUNT		
Mortgages		
Principal	$4,539,279.47	
Interest Due and Accrued	106,418.20	4,645,697.67
Bonds, Debentures and Accrued Interest		
Government and Government Guaranteed Bonds	1,636,525.38	
Canadian Municipal, Rural Telephone and School District Bonds	362,658.31	
Canadian Corporation Bonds	293,672.80	
Foreign Government Bonds	31,416.25	
Foreign Corporation Bonds	22,397.50	2,346,670.24
Stocks		385,010.85
Loans on Other Securities and Accrued Interest		7,572.34
Cash on Hand and in Banks		249,118.69
Total Guaranteed Trust Assets		$7,634,069.79
ESTATES DEPARTMENT		
Investments, etc., held in Trust for Estates and Agencies		2,035,795.11
		$11,123,349.23

T. H. STINSON, K.C., President.

LIABILITIES

CAPITAL ACCOUNT	
Capital Stock Subscribed and Fully Paid	$ 810,000.00
Reserve Fund	200,000.00
Investment Reserve	385,000.00
Reserve for Income and Excess Profits Tax	21,127.74
Dividend Declared and Payable January 2, 1944	8,100.00
Due to Mortgagors	1,530.00
Balance at Credit of Profit and Loss Account	27,726.59
Total Capital Liabilities	$1,453,484.33
GUARANTEED TRUST ACCOUNT	
Guaranteed Investment Receipts	$5,495,573.88
Trust Deposits	2,138,495.91
Total Guaranteed Trust Liabilities	$7,634,069.79
ESTATES DEPARTMENT	
Estates, Trusts and Agency Account	$2,021,189.77
Due to Company Funds	14,605.34
	$11,123,349.23

C. E. WEEKS, Managing Director.

AUDITORS' CERTIFICATE

We have audited the Books and Accounts of The Victoria Trust and Savings Company for the year ended December 31st, 1943, verified the Investment Securities. Cash on Hand, and the Balances in Banks. We have, after due consideration formed an independent opinion of the Company as at December 31st, 1943, and we certify that in our opinion so formed, according to the best of our information and the explanations given us, the accompanying Balance Sheet with the related Profit and Loss Account sets forth fairly and truly the position of the Company on that date.

We certify that all transactions of the Company that have come within our notice have been within the powers of the Company.

LINDSAY, Ontario, January 15th, 1944.

RUTHERFORD WILLIAMSON (F.C.A.)
HAROLD A. SHIACH (F.C.A.)
Auditors.

Insurance Inquiries

Editor, About Insurance:

I understand that deposits in United States banks are insured in a government sponsored insurance institution up to a certain amount. Can you inform me as to the length of time this form of insurance has been in existence, the amount of protection afforded individual deposits, and the extent of the operations carried on under this plan?

—C. H. J., Winnipeg, Man.

What is known as the Federal Deposit Insurance Corporation was established January 1, 1934, as a result of the banking crisis during which so many United States banks failed and went into liquidation. The capital was provided by the United States Treasury and the Federal Reserve banks, and the banks which became members of the Corporation were subject to assessment to meet the losses. Individual deposits were insured up to $5,000 each. In a recent report to President Roosevelt by Chairman Leo T. Crowley of the Corporation, it was stated that on January 1, 1944, more than 75,000,000 accounts were protected by deposit insurance with the Corporation. During the ten years the Corporation has been in existence, it has disbursed $255,000,000, of which it is estimated over 80 per cent will be recovered to protect 1,300,000 depositors in 395 insolvent United States banks, of which fewer than 2,000 were not fully protected by the individual $5,000 maximum. They received their $5,000 immediately and are also sharing in the proceeds of liquidation for recovery above that amount. At the end of 1943 the capital and surplus of the Corporation stood at $700,000,000, about two and a half times the amount at the beginning of operations. Expenses of operation, including losses on closed banks, amounted to $80,000,000 during the ten-year period, which amount, according to the chairman, is less than the income from investments.

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Editor, About Insurance:

My husband has been offered a favorable policy with the New York Life Insurance Company, and we would appreciate your advice on the safety and advisability of insuring with this company.

—E. G. F., Montreal, Que.

New York Life Insurance Company, with head office at New York and Canadian head office at Montreal, has been in business since 1845 and has been operating in Canada since 1868. It is regularly licensed in this country and has a deposit with the Government at Ottawa for the protection of Canadian policyholders exclusively. It is in a strong financial position and is safe to insure with. All claims are readily collectable. At the end of 1942 its total assets in Canada were $59,586,551, while its total liabilities in this country amounted to $53,644,994, showing an excess of assets in Canada over liabilities in Canada of $5,941,557.

Company Reports

Manufacturers Life

STEADY progress was made last year by the Manufacturers Life Insurance Company in increasing its business and adding to its financial strength. The new business amounted to $82,786,687, which was $12,842,161 in excess of the new business for 1942. The business in force at the end if 1943 totalled $727,387,966, showing a gain for the year of $55,270,076, the largest yearly gain in the company's history. Terminations by lapse and surrender continued to decline, being some two millions less than in 1942. Of the total business in force, 45 per cent is in Canada and 55 per cent outside Canada. Assets at the end of 1943 totalled $241,424,890, as compared with $221,133,779 at the end of the previous year. Over half of the assets are in government bonds, indicating the extent to which the company's funds are being made available for war purposes to the Canadian, British and United States governments to hasten the day of victory. The gross rate of interest earned in 1943 was 4.28 per cent, as compared with 4.18 per cent in 1942. The contingency reserve and surplus funds at the end of 1943 amounted to $11,551,299 as against $10,276,346 at the end of 1942. Total income in 1943 was $42,669,420 as compared with $37,057,948 in 1942. Payments to policyholders totalled $13,442,479, showing an increase of about half a million over the amount paid in 1942. Net claims due directly to the war amounted to $572,777. Since the commencement of the war, the extra mortality due to war claims has been offset by more favorable mortality from normal causes, but the company expects and is well-prepared to meet much heavier war claims than have so far been experienced.

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Pilot Insurance

DURING 1943 the Pilot Insurance Company, with head office at Toronto, increased its assets from $1,086,457 to $1,123,068, showing a gain for the year of $36,611. The assets are distributed as follows: Bonds and debentures at amortized book value, $933,805; cash on hand and in bank, $81,786; agents' balances and premiums uncollected (net), $77,559; interest due and accrued, $5,452; due from reinsurance companies, $876; cash surrender value of endowment policy, $8,750; refundable portion of excess profits tax, $14,838. After making provision for unpaid claims, reserve of unearned premiums, expenses due and accrued, reserve for taxes, agent's credit balances (net), reinsurance premiums due and unpaid, and reserve for depreciation of securities, there was a surplus as regards policyholders of $630,659, as compared with $586,706 at the end of 1942. The net surplus over capital, reserves and all liabilities was $426,159, as compared with $382,206 at the end of the previous year.

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Confederation Life

FOR the Confederation Life Association 1943 was one of the best years in its history. The new business paid for and revived was $59,622,048, which is the largest amount sold by the Association in a single year, although the figures show a decrease from those appearing in the report for 1942, as a result of a change in the method of recording group insurance sales. The business in force at the end of 1943 was $527,099,462, as compared with $493,788,722 at the end of 1942. The rate of mortality was lower than in 1942, and was in fact the lowest of the war years. War claims accounted for 10 per cent of the total net claims and were slightly higher than in 1942, but this was offset by a lower mortality from all other causes. Considering it advisable to provide for much heavier war claims in the future, the Association has set up a special reserve fund of $2,000,000 for that purpose. The rate of interest earned on the invested assets in 1943 was 4.22 per cent as compared with 4.32 per cent in 1942, a drop which was to be expected in view of the heavy investments in government bonds at 3 per cent. Total payments to policyholders during 1943 amounted to $12,277,469, showing an increase for the year of $173,518. Surplus over liabilities now amounts to $12,172,985.

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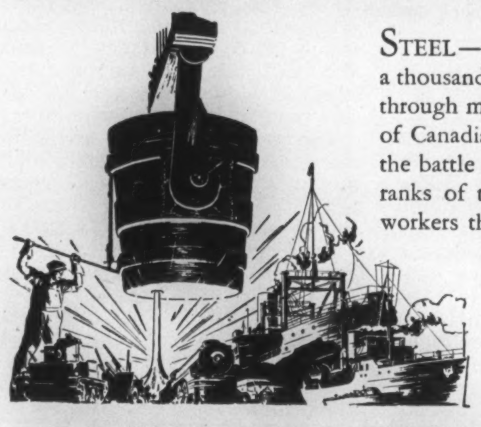
National Life

AS THE result of a highly satisfactory year's operations, the National Life Assurance Company of Canada shows a substantial gain for 1943 in business in force and an increase in the strength of its financial position. Gross insurance in force was increased from $69,580,363 to $75,039,370, while the assets were increased from $14,387,868 to $15,648,371, and the surplus as regards policyholders from $325,321 to $478,422. Total receipts in 1943 were $2,602,245, while the total disbursements amounted to $1,690,445, of which $1,052,081 was paid to annuitants, policyholders and beneficiaries. Of this amount, $447,113 was paid in death claims, the mortality experience being slightly heavier, as was to be expected, with many of the company's policyholders serving with the armed forces. The amount paid in dividends to policyholders was $118,403, while the sum paid under matured policies, annuity contracts, surrender values, etc., was $486,565. During the year the company increased its holdings of Dominion Government Bonds by $1,337,661. It has invested heavily in Victory Bonds as

(Continued on Page 32)

STEEL for Victory



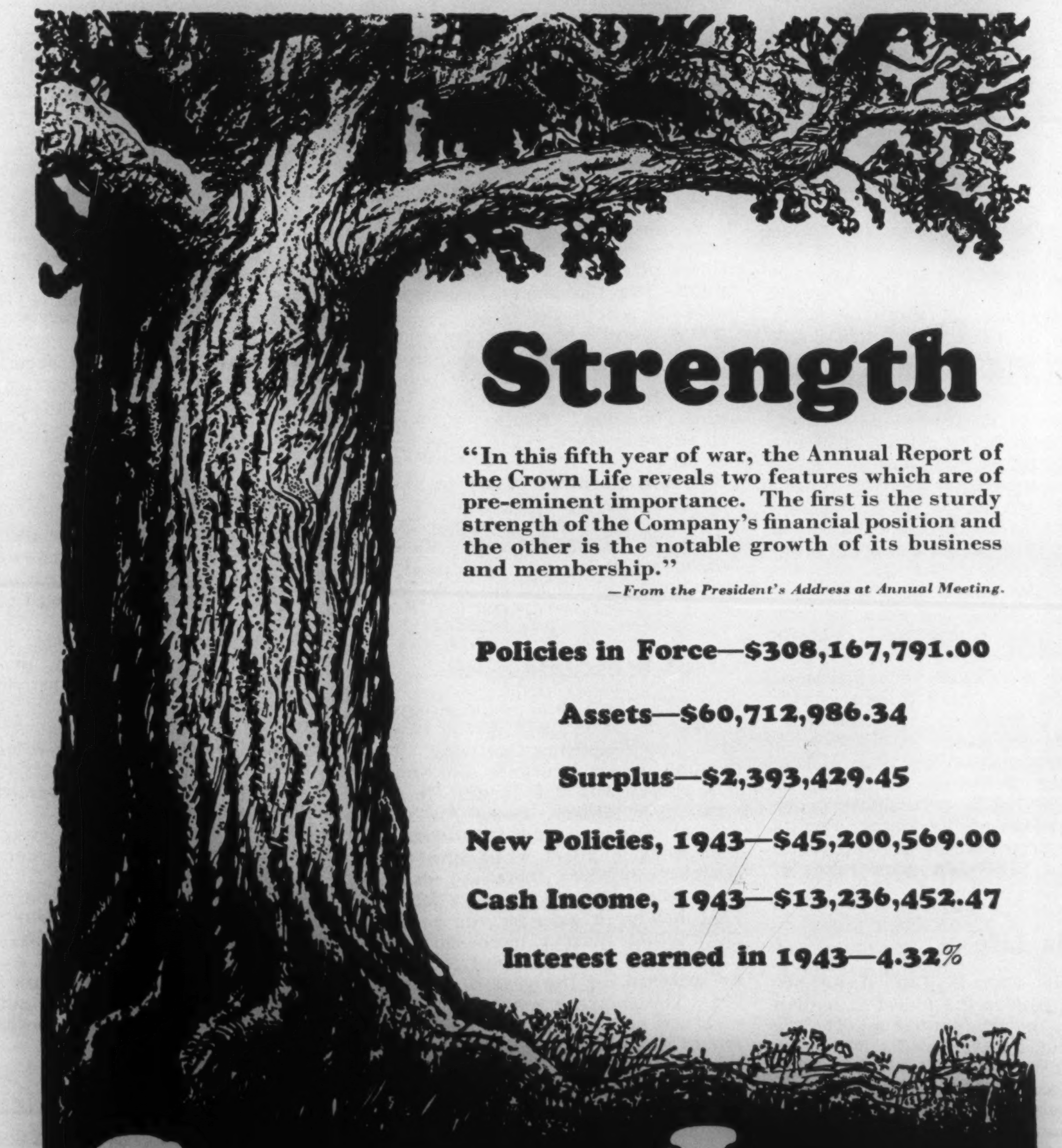
STEEL—for ships, tanks and a thousand tools of war—flows through mills where thousands of Canadians unceasingly fight the battle of production. To all ranks of these and other war-workers the Bank of Montreal offers helpful banking co-operation.

BANK OF MONTREAL
FOUNDED IN 1817
Modern, Experienced Banking Service . . . *the Outcome of 126 Years' Successful Operation*
A 182

SERVICE SAVING SECURITY
Fire and Allied Lines Written in Associated Companies
Automobile and General Casualty Insurance
Lumbermens
MUTUAL CASUALTY COMPANY
Agency Inquiries Invited
VANCE C. SMITH, Res. Sec'y, Concourse Bldg. Toronto, Elgin 3355
"THE SAFETY-MINDED COMPANY"

The
Wawanēsa
Mutual Insurance Company
—ORGANIZED IN 1896—
Admitted Assets - $3,819,972.11
Surplus - - - - - - 2,014,637.07
—Write for Financial Statement—
Head Office: WAWANESA, Man.
Eastern Office: TORONTO, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, and Montreal.

THE LONDON & LANCASHIRE INSURANCE Co. Ltd
ABSOLUTE SECURITY
W. R. HOUGHTON, MANAGER



Strength

"In this fifth year of war, the Annual Report of the Crown Life reveals two features which are of pre-eminent importance. The first is the sturdy strength of the Company's financial position and the other is the notable growth of its business and membership."

—From the President's Address at Annual Meeting.

Policies in Force—$308,167,791.00

Assets—$60,712,986.34

Surplus—$2,393,429.45

New Policies, 1943—$45,200,569.00

Cash Income, 1943—$13,236,452.47

Interest earned in 1943—4.32%

CROWN LIFE
Established 1900
INSURANCE COMPANY
Home Office Toronto

Crown Life Bldg., 59 Yonge Street, G. F. Crum, C.L.U., Manager

Hermant Bldg., 21 Dundas Square, M. Dickstein, Manager

Bloor Bldg., Bloor & Bay Sts., J. B. Kelly, Manager

Company Reports

(*Continued from Page* 31)

a patriotic duty, although this policy has had an adverse effect upon the average interest rate which was reduced to 4.03 per cent from 4.29 per cent in the previous year.

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Bank of Nova Scotia

THE financial statement of the Bank of Nova Scotia as at December 31, 1943, shows an increase in assets of over $80,000,000, bringing the total to an all-time year end high figure of $493,195,832. Profits show a moderate decrease following enlarged tax payments, but the usual strong position is well maintained.

Outstanding balance sheet changes include increases of approximately $81,000,000 in total deposits, an increase of some $49,000,000 in investment accounts, and a net increase of $3,800,000 in loans. All increases are the result of the wartime activity of business and government.

Total of cash, clearings and balances due from other banks, $116,061,431, is equivalent to 25.46 per cent of total liabilities to the public. Total quick assets which include the above together with investments and call and short loans secured by stocks and bonds amount to $335,194,370 and represent 73.53% of liabilities to the public. This latter figure compares with 68.10% a year ago.

Investment account now aggregates $210,386,369 of which total 89% is in Dominion and provincial securities, and 53% of the total is in Dominion and provincial securities maturing within two years. Investments also include $8,702,343 in municipal securities, $5,605,653 in public securities other than Canadian and $7,346,076 in other bonds and stocks, all at not exceeding market value.

Loans other than call loans total $126,389,377, practically unchanged since last year. Of this total $112,426,757 represents current loans in Canada, and $12,690,193 current loans elsewhere. A small reduction is shown in loans to provincial and municipal governments. Call loans are up slightly over $4,000,000. Acceptances and letters of credit are higher by $2,500,000.

Total deposits of $426,753,927 are increased $81,152,375. Of this total, non-interest-bearing deposits of the public at $155,829,700 are up $25,242,137. Interest-bearing deposits of the public at $210,470,366 are up roughly $30,000,000 from a year ago, notwithstanding the substantial withdrawals made during the year for two Victory Loan campaigns. Deposits of Dominion and Provincial governments at $50,612,269 are increased $24,021,423. The high volume of war business is reflected in all round increases in deposits.

Net earnings for the year, $1,717,961, after taxes of $1,542,488, of which $139,796 is refundable under the provisions of the Excess Profits Tax Act, compare with last year's figures of $1,860,262, after taxes of $1,357,773.

•

Canada Life

AS THE Canada Life Assurance Company is the oldest Canadian life company, its annual reports are of particular interest. Its new paid-for insurance in 1943 totalled $79,627,805, showing a substantial increase over the new insurance for 1942. The new insurance figures include revivals and increased policies but exclude dividend additions and annuities. In addition, new paid-for retirement income bonds including revivals and increases, guaranteed total maturity benefits of $5,600,347, and consideration for new immediate annuities totalled $1,846,882.

Business in force at the end of 1943 was as follows: Assurances, $852,603,814; maturity benefits under retirement income bonds not yet matured, $75,774,294; reserve value of immediate and vested annuity contracts (providing for payments to annuitants of $3,733,723 annually), $33,354,830. Total net receipts for 1943 from all sources amounted to $43,134,617, while payments of $21,771,442 were made during the year under the company's contracts in settlement of death claims, matured endowments, dividends, annuities and cash values for surrendered policies, of which amount $13,369,787 was paid to living policyholders.

The book value of the assets at the end of 1943 was $306,313,096, and the surplus funds and special reserves amounted to $16,085,976. These funds and reserves include: (1) $2,000,000 reserve for contingencies; (2) $750,000 special reserve for war mortality; (3) $5,070,000 provision for contemplated distribution of profits to policyholders which includes dividends in full payable on, or accrued to, 1944 policy anniversaries under all classes of participating policies, and (4) $8,265,976 of unassigned surplus, which unassigned surplus shows an increase of $751,389 for the year.

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Excelsior Life

THE Excelsior Life Insurance Co. had, at end of 1943, insurance in force of $145,209,563, it was reported to the annual meeting of the company by Alex. Fasken, president. This was a gain of $11,193,232 in the year. During the year 7,887 Canadian men and women secured new policies for a total of $17,939,526.

Income for the year amounted to $5,168,810 of which $3,829,998 was net premium income. Death claims during 1943 totalled $764,810, while the remaining $1,095,849 of The Excelsior Life's payments to policyowners during the year went to policyholders themselves. This amount included $383,583 in matured investment and endowment policies; $219,292 as profits to policyholders; and $492,973 in surrender values, annuity payments, etc.

Assets for the security of policyowners now total $30,300,396. On December 31st the ledger assets were made up as follows:

First mortgages on improved real estate 8.01%; bonds and debentures 75.56%; loans on company's policies 8.52;% real estate (including head office building) 2.90%; preferred and common stocks 4.37%; and cash, etc. .64%.

Interest earnings for the year averaged 4.34%.

During 1943 the Excelsior Life purchased $3,750,000 of Victory Bonds, which brings the total of such bonds purchased since the outbreak of war to $9,675,000.

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Great-West Life

SUBSTANTIAL and sound progress was made in 1943 by the Great-West Life Assurance Company. The amount of new insurance and annuities placed was the largest in the company's history, being $101,002,443, as compared with $78,910,662 in the previous year, while the total business in force increased during 1943 from $698,010,493 to $759,131,250, showing a gain for the year of $61,120,757. Assets increased from $189,297,807 to $203,789,801, showing an increase for the year of $14,491,994. The company's operations now embrace not only all of the Dominion of Canada but eleven states of the United States, and almost one-third of the new business for the past year and one-fourth of the total business in force is held by policyholders in the United States. The company's assets have been invested in compliance with strict government regulations and show evidence of very careful selection. At the end of 1943 they were distributed among the various classes of securities in the following proportions: Government bonds, 46.2 per cent; municipal bonds and bonds of utilities, etc., 26.0 per cent; city mortgages and properties, 9.3 per cent; policy loans, 8.9 per cent; farm mortgages and properties, 6.7 per cent; stocks, 1.9 per cent; cash and miscellaneous, 1.0 per cent. As compared with the total assets of $203,789,801, the total liabilities amounted to $195,462,751, showing a surplus as regards policyholders of $8,327,050, made up of capital, contingency reserve and free surplus.

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Monarch Life

AT THE annual meeting of the Monarch Life Assurance Company in Winnipeg on January 25th, with the president, E. J. Tarr, presiding, attention was drawn particularly to the establishment of the Staff Pension and Insurance Fund, which is now on a contributory basis, but in order that it might be established with due recognition being given to past service of full-time salaried employees, a Company grant of $200,000 was made and appears in the statement as a liability. The increase in assets during the year was in excess of a million and a half, and the increase of business in force exceeded six million and now totals $79,752,618. Holdings of Dominion Government bonds increased substantially more than did total assets. After making full provision for all accrued profits to policyholders and maintaining a reserve for unreported policy claims and unallocated investment reserve, the contingency reserve was increased from $400,000 to $500,000. The then remaining free surplus amounted to $745,000.

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Guaranty Trust

GUARANTY Trust Company of Canada reports a broad expansion in assets under administration during 1943, with total of $16,455,962 at end of year, up $3,175,899 during the period.

Net earnings for the year, after all administration charges, are reported at $30,159, equal to approximately $10.05 a share. Previous balance amounted to $13,240, leaving $43,400 available for distribution. After dividends of $5 a share, taxes of $13,125, and appropriation of $11,947 to reserve fund, the amount of $3,327 was carried forward as surplus account. Surplus funds are reported at $103,327. Reserve funds were increased from $75,000 to $100,000.

Bonds and other liquid securities, amounting to $2,772,391, represent 100 per cent of savings deposits and guaranteed investment certificates combined.

•

National Trust

THE annual statement of the National Trust Company shows total assets under administration at $321,800,588 as compared with $318,232,156 a year ago.

Net profits were $476,294 which enabled the company to provide $187,906 for Dominion, provincial and municipal taxes other than taxes on real estate; and to pay the regular quarterly dividends totalling $240,000 for the year, leaving $48,388 to be added to profit and loss which now stands at $595,627.

Profit, after taxes, was equal to $9.61 per share. A year ago, net profit, before taxes, was $456,325, and after taxes of $164,641, compared with $187,906 in the latest year, was equal to $9.72 a share. In 1942, net was $8.34 a share.

Savings deposits are up from $17,270,859 to $18,371,943, with liquidity also up at 87.51 per cent as compared with 76.72 per cent for 1942.

•

Victoria Trust

ANNUAL report of the Victoria Trust and Savings Co. for year 1943 shows total assets of more than $11,100,000. Profits for year under review amounted to $64,411 as against $59,461 in 1942.

The company has strongly supported the Victory Loan campaigns, and government bonds show in the balance sheet at $1,636,525, an increase of $600,000 over the previous year. As a result of the increase in bonds, the company's liquidity now exceeds 100 per cent.

Real estate held for sale is carried on the balance sheet at $123,000 down $53,000 from 1942.

NEWS OF THE MINES

Noranda Section of Rouyn Area Enjoys Real Old-Time Boom

By JOHN M. GRANT

UNDER the stimulus of the spectacular results in the No. 3 diamond drill hole at Donalda Mines, a veritable boom is being witnessed in the Noranda section of the Rouyn area. The hole which set off the fireworks returned a core length of 120 feet running better than $9 in gold and further drilling is now proceeding to determine the importance of the disclosure. In addition to causing a scramble to buy stocks in other companies in that district, such as Quemont Mining Corp., Wiltsey-Coghlan and Joliet Quebec, there was a rush to secure claims and all the ground to the east for miles has been staked or purchased. A new company—Eldona Gold Mines—formed on approximately 20 claims adjoining Donalda on the east quickly had its offering of stock oversubscribed.

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Quemont Mining Corp., a subsidiary of Mining Corporation of Canada, which holds ground immediately adjoining Donalda on the west, had earlier planned to carry out a geophysical survey of their property this summer and also was considering diamond drilling. This work is now likely to be expedited as a deal for finances has been arranged. This property has been idle for over 13 years. Ventures and Beattie are reported to have some ground to the northeast of Donalda, and a controlling interest in two groups to the northeast was acquired for Wiltsey-Coghlan Mines. The Eldona property is to be diamond drilled as soon as possible and a new development program is reported being mapped out for Joliet-Quebec Mines.

•

McIntyre Porcupine shares recently attained an all-time high of $61 on the Toronto Stock Exchange. The advance in this outstanding gold investment was largely due to American buying. Net profit in the nine months ending December 31 was $2.73 per share as compared with $2.88 in the like period of 1942. Earnings for the three quarters were little changed being 90 cents for the last three months, 92 cents in the quarter ending September 30 and 91 cents in the June period.

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With a substantial amount of working capital in the treasury, Lapa Cadillac Gold Mines is losing no time in endeavoring to secure another gold mine. Four new groups of claims have been optioned or staked in Northwestern Quebec, and another group staked in Skead township, Northern Ontario. Twenty-five claims have been optioned in Vauquelin township, adjoining the Unigo Mines property and a magnetometer survey is planned to begin about the middle of the month. An option was also taken on 21 claims in Louvicourt township, and an interest acquired in two groups in Malartic township. Staking was also done in the southern part of Rouyn township.

•

Canadian gold mines at the end of November, 1943, had 15,901 employees, as compared with 16,058 at the close of October, 21,097 at January 31 and 27,527 as at March 31, 1942, according to the Dominion Bureau of Statistics. It is reported that at least 800 experienced miners could secure work in the Porcupine camp immediately. British Columbia reports that the gold mines there,, which have suffered heavily from the scarcity of labor, are being allotted some men by National Selective Service.

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"The gold we had at the beginning of the war, and what we still have, has saved our bacon" declared Graham Towers, governor of the Bank of Canada and chairman of the National War Finance Committee, while in Toronto recently. "It is all very well for some people to decry the value of gold, but when you get into a fix the only thing you can be sure of is the purchasing power of gold, which millions all over the world still demand in preference to paper money." Mr. Towers cited China, for one, as having a passionate belief in gold.

•

Gold shares are today regarded as outstanding among the "peace stocks". Buyers appear largely interested in capital appreciation, with many of them purchasing for the long term. War developments in 1944 are expected to precipitate a final crisis which will quickly lead to the collapse of the Nazi Reich, and as this day of Victory draws closer the outlook for gold mines improves. Labor conditions remain serious but confidence is growing that the worst is about over and from now forward the down curve of gold production is likely to flatten and with improvement in the manpower situation should gradually improve. The search for new gold prospects which has been underway for sometime will be more intensified this year and shortly diamond drilling, already commenced in some areas, will be the order of the day, in anticipation of vigorous development as soon as ample labor is again available.

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Cariboo Gold Quartz Mining Company in the three months ending October 31, 1943, experienced a slight improvement in the labor situation. Late in December, approximately 150 men were on the payroll, about 300 under normal, but the management was hopeful the government would shortly provide additional men for underground work. An operating profit of $28,912 was shown for the nine months ending October 31, 1943,

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While Madsen Red Lake Gold Mines fiscal year does not end until February 28, production figures for the three months ending December 31 were the third highest for any quarter to date due to the better grade of ore milled. Output in the final quarter of the year was valued at $363,517 as against $304,799, in the previous three months and grade of $10.03 compared with $8.40. For the 12 months of 1943 recovery totalled $1,321,889 as compared with $1,473,029 in the previous year.

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What is thought to be the extension of the main Preston porphyry mass, with possibilities of a sizeable orebody, has been encountered by Preston East Dome in drilling on the west claim of the northeast section of the property at the 12th level. The drill hole was close to the west boundary of the northeast claims with Dome Mines and the porphyry in the core is said to be identical with the northern end of the Preston porphyry mass. This porphyry mass is the host rock of the most productive ore bodies located to date. Interesting developments are also reported from the western section of the property.

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Known ore resources of Little Long Lac Gold Mines are estimated by John A. Reid, consulting engineer, as sufficient for about four more years' milling, without allowing for development of any new ore. Mr. Reid pointed out, however, that possibilities of developing new ore exist at several different points on the property and recommended that drilling and other work be undertaken to explore these possibilities. As soon as labor is available it is proposed to commence a long exploratory crosscut with a view to testing a known shear in a fold in the iron formation about 1,800 feet north of the shaft and also to examine the intervening ground. The shaft is also being deepened to establish two more levels.